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ABSTRACT

To obtain information about the distribution of financial aid funds to graduate and professional students, the National Association of Student Financial Aid Information developed a survey about specific programs and awards, distribution methods, loan packaging policies, the use of professional judgment, the use of technology in aid offices, and sources of information about financial aid. Responses were received from 537 programs: 214 graduate programs, 283 professional programs, and 40 programs that could not be identified (excluded from the analysis). Findings show that in the 1997-1998 award year, student loans were the most widely used form of financial aid in all programs except theology. More than 90% of student aid recipients in dental, medical, and law programs received loans, compared with 60% of those in master's degree programs at private institutions. Dental programs at private colleges and universities had the highest average tuition and fees, but the average charge for students at public college and university master's degree programs was just $3,407. More than 80% of students in medical, dental, and law programs received some form of financial aid. This compares with about one half of those in graduate business programs. The survey provides much useful information on financial aid packaging and the management operations of graduate and professional programs, but the survey provides little information about the use of research and teaching assistantships, outside sources of aid, and other issues deserving study. (Contains 19 figures.) (SLD)

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Financial Aid Policies and Practices at Graduate and Professional Programs

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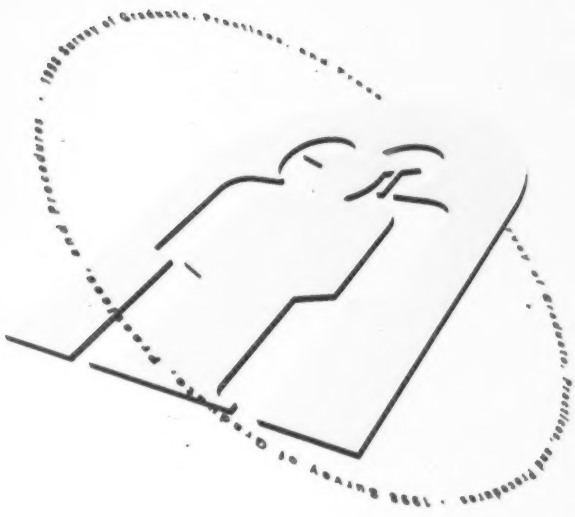

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Results from the 1998 Survey of Graduate Aid Policies, Practices, and Procedures (SOGAPPP)

Financial Aid Policies and Practices At Graduate and Professional Programs:

Results from the 1998 Survey of

Graduate Aid Policies, Practices, and Procedures

(SOGAPPP)

August 1999

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Executive Summary

The 1998 Survey of Graduate Aid Policies, Practices, and Procedures (SOGAPPP) was sponsored by NASFAA's Graduate and Professional Issues Committee, with support from the USA Group Foundation, the Access Group, and the Sallie Mae Education Institute. The SOGAPPP seeks to gain added knowledge and insight into the distribution of financial aid funds to graduate and professional students, and into the financial aid operations and management issues facing financial aid administrations who serve these students.

To obtain this information, NASFAA developed a document to collect information from graduate and professional financial aid offices for the 1997-98 award year. The survey asked the aid administrators to provide information for specific programs on tuition and fee charges, distribution of financial aid funds to students, loan packaging policies, need analysis methodologies, use of professional judgment, use of technology in their aid offices, and sources of information on financial aid issues and policies.

Responses were received from 537 programs: 214 graduate programs (programs that lead to a master's or doctoral degree) and 283 professional programs (primarily medical, law, dental, and theology degrees). Forty programs could not be identified and were not included in the analysis. In addition, the number of doctoral programs that responded was too low to generate statistically reliable estimates for this group.

Results of the SOGAPPP should be interpreted with some caution, since the number of respondents from master's degree programs was low, relative to the total number of all such programs at all higher education institutions. Despite this, the survey does provide some important information on financial aid packaging and other issues for graduate and professional financial aid administrators. Key findings of the 1998 SOGAPPP include:

- In the 1997-98 award year, student loans were the most widely used form of financial aid for all programs except theology. More than 90 percent of student aid recipients in dental, medical, and law programs received loans, compared with 60 percent of those in master's degree programs at private institutions.

- Dental programs at private colleges and universities had the highest average tuition and fee charges ($29,216), followed by medical ($23,424), law ($18,476), and business ($15,285) programs. The average tuition and fee charge for students at public college and university master's degree programs was just $3,407.

- More than 80 percent of students in the medical, dental, and law programs received some form of financial aid. This compares with about one-half of those in business programs.

- At medical, dental, and law programs, loans accounted for more than 80 percent of the total amount of financial aid dollars distributed to students in 1997-98. About one-half of the total aid was delivered through the Stafford Unsubsidized Loan Program and private/alternative loans.

- More than 60 percent of all professional programs at both public and private institutions routinely included at least three loans in the students' financial aid packages. However, programs at public colleges were more likely to include Perkins Loans in their aid packages, while private colleges were more likely to include private/alternative loans, which generally have higher interest rates than Perkins Loans.

- As a result of the prevalence of student loans, cumulative debt (debt for both undergraduate and graduate/professional education) was quite high at professional programs. For those who received their degrees from private colleges and universities, cumulative debt was $123,898 at dental programs, $99,225 at medical programs, and $63,078 at law programs. This compares with debt of $28,809 at private college and university master's programs, and $20,973 at theology programs.

- The types of exit counseling and other financial aid services provided to students differed by institutional type and program level. Financial aid administrators at professional programs in private colleges and universities were more likely to provide individual or group, in-person exit counseling, while those at graduate programs in public institutions were more likely to use exit counseling based on personal computers, videos, or the World Wide Web. This does not, however, imply that one type of exit counseling service was better.

- Most aid administrators reported that they used professional judgment to make adjustments in students' financial aid awards. However, the majority of aid administrators at private professional programs said that they routinely perform professional judgment reviews for all aid applicants, while less than half of those at graduate programs in public colleges and universities perform professional judgment reviews on a routine basis.

- Differences in services provided by graduate and professional programs may have been due to differences in financial aid environments. Forty-three percent of the financial aid administrators at private college professional programs said they were in stand alone environments, which means they provided services to students in just one specifically defined academic program. Just 26 percent of the aid administrators at public graduate programs were in stand alone environments. About 57 percent of the financial aid administrators at public graduate programs worked in centralized environments; in these environments, one financial aid office serves students from a wide variety of academic disciplines.

- Differences in types of financial aid services provided to students may also have been due to the differences in access to technology available to graduate and professional financial aid offices. A higher percentage of aid administrators at public colleges and universities said that they have access to the World Wide Web, the National Student Loan Data System, and on-line access to students' financial aid accounts. Some aid administrators at private college professional programs did not have access to any of these forms of technology.

- The most widely used sources of information on student financial assistance by graduate and professional program aid administrators were (in order) the U.S. Department of Education, higher education associations, financial aid administrators' colleagues, and student loan lenders.

While the SOGAPPP has provided some useful indicators on the financial aid packaging and management operations of graduate and professional programs, several knowledge gaps still exist in the graduate and professional financial aid procedures. The SOGAPPP provides little information about the use of research and teaching assistantships, outside sources of aid, and other issues important to graduate and professional financing that the SOGAPPP could not answer. Additional research will be needed to answer these concerns.

Introduction

Although numerous studies have been conducted on undergraduate financial aid issues, very little is known about the financial aid policies of graduate and professional programs. These programs have been harder to track because the precise number of graduate and professional programs on individual campuses varies widely from institution to institution. A large state university may have multiple numbers of graduate programs, each of which provides funding for its students in unique ways and from various sources. Also, students in graduate and professional programs receive financial aid from a wide variety of sources, some of which are not known or are not followed closely by financial aid administrators.

Because of these complex issues, many questions about graduate and professional education financing and financial aid office management have gone unanswered. To help bridge this knowledge gap, NASFAA's Graduate and Professional Issues Committee organized the 1998 Survey of Graduate Aid Policies, Practices, and Procedures (SOGAPPP). SOGAPPP represents NASFAA's first attempt to gather extensive knowledge and information on the financial aid policies and procedures of graduate and professional programs.

To acquire this information, NASFAA surveyed the financial aid administrators of various graduate and professional school programs. These programs included: graduate master's (programs that award master's of arts and master's of science degrees), and doctoral (Ph.D. and Ed.D.) programs, and business, law, medical, dental, and theology schools. The survey collected a wide variety of information from the financial aid administrators for the 1997-98 award year, such as tuition and fee charges, types and sources of financial aid, loan exit counseling information, need analysis procedures, and use of professional judgment. The survey also asked aid administrators to provide information on their financial aid office environments, their use of technology to manage their financial aid offices, and their most frequently used sources of information on financial aid programs.

This report first discusses the number and types of graduate and professional programs that responded to the SOGAPPP survey, by program and institution type. Next, the study provides information on tuition and fee charges and types and sources of financial aid for graduate and professional students, by program and institution type. Special emphasis is placed on the use of student loans by these programs, particularly on the loan packaging policies, total indebtedness of degree recipients, and loan exit counseling formats used by aid administrators to provide information on loan repayment obligations. This is followed by a discussion of the need analysis and professional judgment policies used by graduate and professional programs, and the financial aid office management issues faced by aid administrators who work with graduate and professional students.

Acknowledgements

While NASFAA's Graduate and Professional Issues Committee (listed in Appendix A) sponsored the SOGAPPP project, it required a team effort to compile the results and complete the report. We would like to thank the many members of this team for their time and support. First among these are our co-sponsors: the USA Group Foundation and the Access Group, which provided funding for the project, and the Sallie Mae Education Institute, which analyzed the results and wrote the final report. We would also like to express our deep appreciation to: Jerry Davis, John Reeves, and Kenneth Redd of the Sallie Mae Education Institute; Lisa Bagley and Peter Syverson of the Council of Graduate Schools; Dr. Richard Weaver and Gina Luke of the American Association of Dental Schools; Paul Garrard of the American Association of Medical Colleges, Marty Guthrie and Larry Zaglaniczny of NASFAA, and Beth Felsen, formerly of NASFAA.

Most importantly, this project would not have been possible without the support of the many financial aid administrators and their staff who took the time and effort to compile the data on their financial aid programs and complete the survey forms. We thank them for their participation in the project and for their suggestions for improving the survey and report.

SOGAPPP Respondents

The SOGAPPP survey (included in Appendix B) was sent to the appropriate programs by various means. It was faxed to all NASFAA member institutions and was posted on NASFAA's World Wide Web site. It was also sent to and posted on the web sites of various higher education associations that represent graduate and professional institutions. In addition, NASFAA encouraged financial aid administrators to photocopy the survey form and share it with their colleagues who package financial aid for students in graduate and professional programs. This method was used because the number of graduate and professional programs at all higher education institutions could not be easily identified. However, because of this survey distribution method, a survey response rate cannot be provided.

Survey participants were instructed to complete a separate survey form for each of the graduate and professional programs they serve and to report financial aid amounts and other information for award year 1997-98. For example, if a campus had a graduate master's, a doctoral, and a business school program, the respondents were asked to complete a separate survey for each of these three programs. This method allowed for separate analyses of financial aid amounts, packaging policies, and management issues for each of the programs at the responding institutions.

It is clear that, the number of responses to the SOGAPPP is low for some programs relative to the total number of programs at all higher education institutions. **Figure 1** shows that a total of 537 graduate and professional programs responded to the survey. This represents a very small percentage of the over 10,000 such programs at all colleges and universities.

Some programs did have a high percentage of institutions that participated in the project. Medical school programs represented about 17 percent of the total respondents. This occurred because 89 of the 125 medical schools (71 percent) responded to the survey. Nearly two-thirds of the dental school programs (30 of 55) replied to the survey—these programs accounted for about 6 percent of the total SOGAPPP participants.

However, only 159 master's degree and just 25 Ph.D. and Ed.D. programs sent responses to the survey. While these programs collectively accounted for one-third of the total SOGAPPP participants, the respondents accounted for just a small fraction of the many thousands of master's and doctoral degree programs at all institutions.

Due to the low number of respondents from master's and doctoral programs, the SOGAPPP respondents may not accurately reflect the total population of these programs at all four-year colleges and universities. Some useful conclusions about financial aid policies can be drawn from these respondents, but these conclusions may not represent trends or practices at all programs nationally. However, the relatively high response rates from medical and dental schools suggest that the information collected from these programs will accurately reflect the financial aid practices at all of these institutions.

The respondents were separated into "graduate" and "professional" programs, and this distinction is used throughout the report. The graduate programs included master's, doctoral, business, and other similar programs that generally lead to a master's degree (such as master's of nursing programs). **Figure 2** shows that a total of 283 graduate programs submitted SOGAPPP surveys. Master's of arts and master's of science (MA/MS) programs accounted for about 55 percent of these respondents, while business schools represented 15 percent and Ph.D./Ed.D. programs accounted for just 9 percent.

The professional programs—programs that generally lead to degrees and training toward a specific professional occupation—included law, dentistry, medicine, and theology. A total of 214 professional school programs participated in the survey. Over 43 percent of these programs were from medical schools, 22 percent were from law schools, 15 percent were from dental schools, 13 percent theology, and 7 percent from other professional programs. Forty programs were unidentified and were not included in the analysis.

Figure 3 shows the proportion of respondents by program and institution type (four-year public and private, non-profit colleges and universities).[1] A majority of the SOGAPPP respondents (55 percent) were from private colleges, but the proportion of respondents by institutional type varied for each of the programs. About 53 percent and 68 percent of medical and dental programs, respectively, were from public institutions. Conversely, 67 percent of the business programs, 70 percent of the law schools, and 75 percent of the theology school respondents were from private colleges.

The institutional distribution of the respondents is important because of the differences in tuition and fee charges, financial aid recipients and award amounts, and financial aid services and administration at public and private institutions. Private institutions generally have higher average tuition and fee charges, and students are generally more likely to receive aid at these colleges and universities. However, the much larger proportion of business, law, and theology SOGAPPP participants from private colleges may indicate that the results for these programs are weighted toward private institutions and may not accurately reflect the financial aid policies and practices at all such programs.

[1] Five private, for-profit (proprietary) institutions responded to the survey, but these institutions are not included in the analysis because the number is too small to calculate any statistically accurate estimates.

Tuition and Fee Charges

The SOGAPPP survey first asked respondents to report their tuition and fee charges for full-time, full-year resident students during the 1997-98 award year. As expected, professional programs at private institutions reported the highest average charges. Private college dental programs reported an average tuition and fee charge of $29,216, while private medical programs had average an average charge of $23,424 and private law schools had average charges of $18,476 (see **Figure 4**). The average tuition charge at private college master's programs was a comparatively low $9,029. Average tuition and fee charges at public college medical and dental programs were in excess of $10,000, compared to just $3,407 at public college MA/MS programs and $4,931 at theology programs. Because of the low number of doctoral degree programs that responded to the SOGAPPP, reliable estimates of tuition and fee charges and other data could not be calculated and were not included in the report.

Tuition and fee charges for medical and dental programs are higher at all institutional types because costs of instruction and materials (such as laboratory equipment) at these programs are higher. Additionally, dental school students at public and private institutions are required to purchase their own laboratory equipment, and these expenses are included in their total educational costs when they apply for financial aid.

Financial Aid Recipients and Distribution of Aid Funds

Because of their higher tuition charges, the students at professional programs were more likely to receive financial assistance to pay their educational expenses. **Figure 5** shows that over 80 percent of the medical school students at public and private institutions received financial aid in 1997-98. About 96 percent of those at public dental schools, and 83 percent of those at public law programs received some form of financial assistance.

At the same time, less than one-half of those enrolled in public and private college MA/MS programs received financial aid. Many of these students were enrolled part-time, and a number of them may have paid their educational expenses from their current income or savings. Students in master's degree programs also may have been more likely to receive tuition remission from their employers or other types of financial aid that might be unknown to financial aid administrators.

Percentage of Aid Recipients Who Borrowed

Nearly all of the aid recipients in professional programs received student loans to help pay their educational expenses. About 92 percent of financial aid recipients at public dental schools, and 96 percent of those at private dental programs, received at least one student loan in 1997-98 (see **Figure 6**). Similarly, over 90 percent of the aid recipients at medical and law schools received student loans, while only 60 percent of those in master's degree programs had borrowed. Just 34 percent of the aid recipients at public theology schools and 52 percent of those at private theology programs received loans.

Distribution of Financial Aid Funds

As the data from Figure 6 suggest, student loans play a dominant role in educational financing, especially for students in professional programs. As **Figure 7A** shows, the combined amount borrowed under all the loan programs (Stafford Subsidized and Unsubsidized Loans and "other" loans—including Perkins, state, institutional, and private/alternative loans) accounted for 85 percent of the total amount of financial assistance that students in professional programs received in 1997-98. Stafford Unsubsidized Loans and private loans represented more than two-thirds of the total financial aid, while scholarships and fellowships made up just 27 percent, and Federal Work-Study accounted for only 1 percent.

For graduate programs, funds from all the loans programs accounted for 62 percent of total aid, while scholarships and fellowships made up 37 percent. Graduate students were much more likely to receive scholarships, fellowships, and research or teaching assistantships from their higher education institutions than were professional students.

However, the distribution of financial aid dollars varied substantially by program and institution type. For instance, students in MA/MS programs at public colleges and universities received 47 percent of their total financial aid dollars from scholarship and fellowship grant programs (see **Figure 7B**). Only 2 percent of their aid came from the "other" loan programs. Just 37 percent of the aid dollars for students in MA/MS

programs at private colleges was provided through scholarships and fellowships, but this may have been due to the relatively low number of these programs that responded to the SOGAPPP. This figure may not be an accurate reflection of the total population of these programs at all institutions.

At private college business programs (shown on **Figure 7C**) 26 percent of the total aid came from "other" loans—much of this came from the private/alternative loan programs. About 57 percent of the aid dollars came from the Stafford Loan programs, but only 17 percent of the aid funds were provided through scholarships and fellowships. At public college programs, 32 percent of the aid came from grants, 56 percent came from Stafford Loans, and 14 percent was provided through the private/alternative loans.

Figure 7D and Figure 7E show that, at both public and private medical and dental schools, Stafford Unsubsidized Loans provided the plurality of the aid dollars. This occurred because many of these students had expanded eligibility for Unsubsidized Loans due to the elimination of the Health Education Assistance Loan [HEAL] Program for many institutions.[2] Borrowing through the unsubsidized loan program accounted for 40 percent of the total financial aid dollars at private medical programs, and other loans (primarily private and alternative loans) accounted for 18 percent. At private dental schools, all student loans accounted for 92 percent of the total financial aid dollars.

Similarly, at private law programs (see **Figure 7F**), borrowing from all student loan programs collectively made up 87 percent of the total amount of financial aid. Stafford Subsidized and Unsubsidized Loans represented 68 percent of the total, while private loans were 19 percent. At public law schools, unsubsidized loans represented 38 percent of aid dollars, subsidized loans about one-third, and private loans about 18 percent.

However, there was substantially less borrowing at theology schools. About 52 percent of the total aid for students in private college theology programs was provided by scholarships and fellowships (see **Figure 7G**). Unsubsidized Stafford Loans accounted for only 11 percent of the aid, and other types of loans accounted for 5 percent. At public theology programs, scholarships and fellowships made up only 39 percent of the total aid dollars, while subsidized loans made up 41 percent. Students at private theology programs may have received scholarships from their church sponsors or other sources. However, very few public theology programs responded to the SOGAPPP, and the distribution of aid for these programs may not accurately reflect the total population of all public theology programs.

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[2] Beginning in FY 1995, medical, dental, and other health professions programs that could no longer participate in the HEAL Program were allowed to increase the maximum amount of Unsubsidized Unsubsidized Loans for their students. The maximum annual amount for students in these programs is $38,500.

Loan Packaging Policies and Cumulative Debt

Borrowing has become a large part of the financial aid picture at graduate and professional programs for two reasons. First, the maximum amounts students are able to borrow from each individual loan program are relatively large. The maximum Subsidized Stafford Loan for graduate and professional students is $8,500, and the maximum unsubsidized loan in $10,000,[3] and students with high financial need are allowed to borrow through both programs during the same academic year. Further, under some private/alternative loan programs, students are able to borrow the full amount of their remaining financial need after they receive Stafford Loans. In some instances, students might receive private loans of over $10,000 in one year.

Secondly, many graduate and professional aid programs "routinely package" more than one loan for their students. In the SOGAPPP, "routinely packaged" loan policies were defined as loans that are offered "without a specific request from the student." That is, the loans were included in the students' financial aid packages even if the students did not request them.

A plurality of SOGAPPP respondents from graduate programs said they routinely packaged at least three loans for their students in 1997-98. At public graduate programs, 41 percent of respondents said that they routinely packaged Stafford Subsidized, Stafford Unsubsidized, and Perkins Loans for their financial aid recipients (see **Figure 8A**). Another 7 percent packaged four loans (Stafford Loans with Perkins and alternative loans), and 2 percent packaged Stafford Subsidized and Unsubsidized Loans with private loans (but not a Perkins Loan). This means that 50 percent of the public college graduate programs routinely packaged three or more loans for their aid recipients.

On the other hand, 42 percent of the private graduate programs routinely packaged just two loans (Stafford Subsidized and Unsubsidized Loans), while 16 percent packaged Stafford Subsidized and Unsubsidized Loans with Perkins Loans, 10 percent packaged Stafford Loans with Perkins and alternative loans, and 9 percent package Stafford Loans with alternative loans (but no Perkins Loans). Thus, about one-third of the private college graduate programs routinely included three or more loans in the students' financial aid packages.

Financial aid administrators at professional programs were even more likely to include three or more loans in their students' financial aid packages. Collectively, about 63 percent of the administrators at public college programs and 60 percent of those at private institutions said they routinely packaged three or more loans in the students' aid packages (see **Figure 8B**). However, the types of loans differed by institution type. The plurality of public colleges (47 percent) packaged Perkins Loans with Stafford Subsidized and Unsubsidized Loans, compared with just 28 percent of private colleges. Conversely, 16 percent of the private colleges packaged private/alternative loans with

[3] Students who attend some medical and dental school programs may borrow up to $38,500 in Stafford Unsubsidized Loans.

Stafford Subsidized and Unsubsidized Loans, compared with only 3 percent of public colleges.

These results suggest that, while a large share of public and private college graduate and professional programs included three or more loans in their students' aid packages, students at public institutions were more likely to receive lower interest, government-guaranteed loans, particularly Perkins Loans. Private college students were much more likely to have private/alternative loans in their packages. This was probably due to the higher costs of the graduate and professional programs at private institutions.

Preferred Lenders

Because of the high number of loans provided to their students, financial aid administrators at graduate and professional programs should be well aware of the number of preferred lenders they use to distribute Stafford and private/alternative loans to their students. **Figure 9** shows that most public graduate programs (62 percent) use six or more preferred lenders to deliver FFEL loans (note that the figure does not include institutions that participate in the Federal Direct Student Loan program).[4] Generally, public institutions appeared to use at least six preferred lenders for their loans, while a higher percentage of programs at private institutions appeared to use two to five lenders. It is possible that, with a smaller number of lenders, financial aid administrators are better able to negotiate lower interest rates or more flexible loan repayments for alternative or other loans for their students.

On the other hand, a larger number of preferred lenders might provide a greater choice of programs for students. Either way, financial aid administrators should be aware of their numbers of lenders and compare the services and repayment terms of the loans offered to students. This might help students obtain loans with lower interest rates and other benefits.

Cumulative Debt

The high tuition charges and loan-packaging policies appear to have led to a high level of debt for graduate and professional students. Debt for students who graduated from professional programs at private colleges was particularly high. The principal amount of total student loan indebtedness (debt for undergraduate and professional education combined) for students who received their degrees from private dental programs in 1997-98 was nearly $124,000, compared with about $74,000 at the public programs (see **Figure 10**). At medical schools, the total debt for private college graduates was about $99,200, compared with $67,800 for those at public institutions. At law programs, the average amount of debt was approximately $63,100 at private institutions versus roughly $45,500 at public colleges.

The lowest amount of debt was reported by theology school programs. The private theology programs reported an average loan debt of about $21,000, compared with

[4] Thirty-eight percent of the public graduate programs and 40 percent of the public first professional programs participated in the Direct Loan Program. Only 11 percent of the private graduate programs and 16 percent of the private professional program participated in the Direct Loan Program.

$19,200 for public colleges. This low level of debt was probably due to the larger percentage of scholarship and fellowship aid these programs provided.

Exit Counseling Formats

The predominance of borrowing and total indebtedness has led to some interest in the exit counseling formats used by financial aid administrators. These are the formats that aid administrators use to deliver information to borrowers about their loan repayment obligations and options. As **Figure 11** shows, about 42 percent of the aid administrators at professional programs, versus 29 percent of the graduate programs, used in-person individual or group counseling sessions to deliver this information. Conversely, 24 percent of those at graduate programs, versus just 17 percent of the professional programs, said they used individual, group, or video-based counseling sessions. Twenty-six percent of the graduate programs said they use other format types, such as telephone, World Wide Web, or personal computer-based counseling formats. Only 16 percent of the administrators at professional programs used these other formats.

The differences in exit counseling formats used by program level may have been caused by differences in enrollments at graduate and professional programs. Graduate programs tend to be concentrated at large public universities, which have large enrollments and large numbers of students who leave their institutions with debt. Thus, it may be more efficient for them to use other media (such as videos) to deliver loan repayment information. Professional programs, particularly medical and dental schools, tend to serve a smaller numbers of students; thus, it may have been easier for them to use in-person counseling formats. This does not suggest, however, that individual or group counseling session formats are better than other types.

Need Analysis Procedures

The SOGAPPP survey also asked aid administrators to describe the processes they use to determine eligibility for need-based financial aid awards, particularly for institutionally-funded scholarships and fellowships. Differences in these procedures are important because, as seen for most graduate and professional programs, fellowship aid is not readily available. And, as the data in **Figure 12** suggests, most institutions must collect additional financial and other data from students in order to determine student eligibility for this aid.

About 91 percent of the private medical programs require students to submit at least one financial aid form, in addition to the Free Application for Federal Student Aid (FAFSA)[5], in order to receive need-based aid, compared with 71 percent of the public college programs. However, about 86 percent of the public theology schools require at least one additional financial aid form, compared with just 57 percent of the private college programs. In most other program types, private institutions were more likely to require students to submit additional application forms.

The FAFSA does not collect home equity data for any aid applicant, nor does it collect financial asset information for students from families with income below $50,000. Because of this, most aid administrators, particularly those at private institutions, use their institutions' additional aid applications in order to collect these data. About 13 percent of those at private college graduate programs required aid applicants to provide home equity information, compared with just 1 percent of administrators at public college programs (see **Figure 13A**). About 21 percent of the private colleges use their additional aid applications to collect financial asset data, while only 7 percent of the public college program collect this data.

About 43 percent of the aid administrators at private professional programs require aid applicants to report financial assets, compared with just 21 percent of the administrators at public institutions (**Figure 13B**). One-third of the private colleges collect applicants' home equity information, and one-half collect additional income data. Just 11 percent of the aid administrators at public professional programs collected home equity, and 31 percent collected additional income data.

The differences in the types of additional information and data collected by public and private graduate and professional programs may have been due to the prevalence of private/alternative loans at private institutions. Financial aid administrators at private professional programs want to use the additional data to look for other sources of support for their students before the private loans are packaged. Private colleges and universities also tend to have multiple institutional aid programs, and these programs normally require students to provide additional income or other data to receive this aid.

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[5] All aid applicants are required to submit the FAFSA in order to receive federal student financial aid. The SOGAPPP asked aid administrators if they require students to submit a financial aid application in addition to the FAFSA, and, if they did, what information these forms collect.

Use of Professional Judgment

Nearly all of the SOGAPPP respondents use professional judgment to adjust the need analysis data of their financial aid applicants. However, the large majority of graduate and professional programs appear to review the students' need analysis data only when requested by the aid applicants.

As **Figure 14** shows, 46 percent of the financial aid administrators at private professional programs provide professional judgment reviews for all their aid applicants and use professional judgment if warranted (i.e., even if students do not request a review), while 49 percent review the need analysis data only at aid applicants' requests. Only 17 percent of the aid administrators at public college graduate programs routinely review the need analysis data for all student aid applicants, while 78 percent review the data only at students' requests. About 65 percent of private graduate programs and 70 percent of public professional programs review the need analysis data only at the student's request.

It is possible that, for many financial aid administrators, professional judgment reviews are very time consuming, and, because of their other duties, they do not routinely review all aid applicants. Aid administrators at private professional programs, perhaps because they tend to have smaller enrollments than other types of programs, may be more able to provide routine review of need analysis data for all their applicants.

Figure 15 shows that, for nearly all programs, the use of professional judgment is based primarily on new financial data or information provided by students. That is, the most frequently cited reasons for the use of professional judgment were based on actions initiated or new information provided by the aid applicants. About two-thirds of both the graduate and professional program respondents begin professional judgment reviews when students appeal their award letters. Over 60 percent of all programs initiate professional judgment reviews when students provide additional personal information (such as a change in their marital or dependency status), and one-half of the programs also initiate reviews when students submit new information based on their most recent federal income tax returns. These results suggest that, for many programs, students request reviews of their data when they believe any new information may lead to increases in their financial aid awards.

Figure 16 shows that the majority (58 percent) of the survey respondents at both graduate and professional programs use written need analysis policies and procedures to make professional judgment decisions. This is important because professional judgment decisions may lead to changes in students' financial aid packages. However, many aid administrators also appear to use other procedures in addition to the written policies in order to make these decisions. Nearly one-half of the financial aid administrators also base professional judgment decisions on individual staff member's review of the students' files. Perhaps the use of individual staff member reviews provide added flexibility for these financial aid administrators to adjust the awards for students in unique or special circumstances.

Financial Aid Office Management

The final section of the SOGAPPP survey asked respondents to describe their financial aid office environments, their use of the technology in the financial aid office, and the sources of information that they rely on to obtain information on trends or changes in financial aid laws, policies, and procedures. These questions were asked in order to obtain more information on how graduate and professional financial aid administrators manage their offices on a day-to-day basis.

Financial Aid Office Environment

The financial aid office environment provides a measure of the degree of autonomy the aid administrators may have when providing services to their aid applicants and may provide a greater understanding of how financial aid funds are awarded to students in different types of programs. The SOGAPPP survey listed three types of financial aid office environments and asked respondents to choose the one environmental type that most closely described their offices. The three types were:

- *Stand Alone Environment*: one office is responsible for all aspects of financial aid services and reporting for the entire defined student population.
- *Centralized Environment*: one office is responsible for all financial aid services and reporting for all students from across all areas in the institution.
- *Decentralized Environment*: students from different disciplines or schools within an institution are serviced by separate offices that are assigned to that student population; there may also be dedicated or general support from a central office.

The plurality of respondents from private professional programs, 43 percent, described their offices as having a stand alone environment, but 57 percent of the public and 53 percent of the private graduate programs said they were in centralized environments (see **Figure 17**). This distribution of financial aid office environments reflects the differences in exit counseling, use of professional judgment by program, and other services by institutional type. The private professional programs were more likely to be in stand alone environments; they were also more likely to provide individual, in-person exit counseling sessions and to review the need analysis data for all aid applicants on a routine basis. All other program types were more likely to be in centralized environments. They were also more likely to use PC-, Web-, or telephone-based exit counseling formats and to review need analysis data only when requested by students.

These findings may have implications for the students and the services they receive from their financial aid offices. A stand alone office may be more familiar with the financial aid issues and concerns of their defined student populations. It is possible that these stand alone environments can provide more individualized and in-person services to aid applicants. At a centralized or decentralized office, it is not as clear that the aid administrators can tailor individual services and needs for aid applicants and recipients, since these offices provide financial aid services to students from across several disciplines, each of which may have somewhat different costs, sources of financial support, and aid packaging philosophies. This is not to suggest that the information and services from centralized or decentralized financial aid offices are not meeting the

students' needs, but it does suggest that a stand alone financial aid environment might more easily respond to students with unique or special needs.

Use of Technology in Financial Aid Offices

A large majority of the public graduate and professional financial aid administrators appear to have access to the most recently available technology to manage their financial aid programs. **Figure 18A** shows that 88 percent of the administrators at public graduate programs (compared with 65 percent of those at private programs) said they have access within their offices to the World Wide Web, the National Student Loan Data System (NSLDS), and computerized on-line access to students' financial aid records. Only 3 percent of administrators at public institutions, compared with 6 percent of those private colleges and universities, said they do not have access to any of these high-technology systems.

Further, about three-quarters of the financial aid administrators at public professional programs have access to all three forms of technology, compared with 52 percent of the administrators at private professional programs (see **Figure 18B**). Only 1 percent of the public institutions did not have access to any of these technology systems. Most of the private graduate and professional programs that did not have access to all three technology forms said that they have access to both the Web and the NSLDS, but did not have on-line access to students' financial aid accounts.

Electronic access for financial aid offices has become more important because many of the U.S. Department of Education's communications and databases are now available only in electronic formats, and because aid applicants may be taking advantage of electronic financial aid applications and resources. Most financial aid offices appear to be keeping up with these technological changes by acquiring access to at least two of these forms of electronic communication and data retrieval. However, there might be some concern for private colleges and universities, since a slightly higher percentage of them did not have any electronic access.

Source of Financial Aid Information

For both graduate and professional programs, the U.S. Department of Education (ED) was the most frequently cited source of information on student financial aid programs. About 90 percent of the survey respondents from graduate programs and 94 percent of those from professional programs said they "very often" or "fairly often" relied on ED for information on the aid programs (see **Figure 19**). This is not surprising, given that ED frequently issues new regulations and procedures that higher education institutions must follow to remain eligible to participate in the federal student aid programs.

The second most frequently cited source of information was the higher education associations. Nearly three-quarters of the graduate program respondents and 85 percent of those from the professional programs said they used this source at least "fairly often." NASFAA and many of the other associations have government relations and research staffs that provide their member institutions with up-to-date information and analysis on

changes in the federal financial aid programs. The SOGAPPP respondents apparently depend on this information a great deal.

Lenders and financial aid administrators' colleagues were also cited as frequently relied upon sources of information. Lenders may have been useful for information on the loan programs, particularly private/alternative loans, while colleagues may be the best source for information on the day-to-day duties and operations of financial aid offices. Private firms (such as law firms and consulting agencies) were the least cited source of information. The U.S. Department of Health and Human Services (HHS) was cited as a frequent source of information by just 15 percent of administrators at graduate programs, but cited by 53 percent of those at professional programs. This was probably due to the use of HEAL loans and other health-related funding issues for the medical and dental programs.

Summary

Results of the SOGAPPP should be interpreted cautiously, since the number of respondents from the MA/MS, doctoral, and business programs was low. Because of the low number of respondents from these programs, it is possible that the responding institutions are not reflective of their respective populations.

Despite this, the SOGAPPP results do provide new information on the ways aid administrators package financial aid to graduate and professional students. Student loan borrowing is the major source of financing for most of these students, particularly those from law, medical, and dental programs. Students from these programs get more than 80 percent of their financial aid funds from loan programs, with Stafford Unsubsidized and private/alternative loans accounting for more than 50 percent of the total aid dollars. Most financial aid administrators at graduate and professional programs routinely include at least two loans within the students' aid packages, with many programs packaging three or more loans. While students do not necessarily have to accept all of the loans in their aid packages, many may believe it is necessary to take all of the loan dollars for which they are eligible. Because of this, it is important that aid administrators, lenders, and others who serve these students provide accurate information on any alternative sources of aid so that students are not borrowing any more than they absolutely need in order to finance their educational programs. Aid administrators who participate in the private and alternative loan programs should look for the lenders with the lowest interest rates, best services, and most flexible repayment options available.

Because of their heavy reliance on borrowing, students appear to be graduating with very large amounts of student loan debt. In 1997-98, borrowers from private college dental programs left their institutions with nearly $124,000 in total debt, and medical school borrowers left with nearly $100,000. These figures include only the principal amounts of loans. Since many students capitalize the interest on their unsubsidized and private loans (that is, have the accrued interest added to the principal balance of their loans until they leave their higher education programs), they often graduate from their institutions with even larger amounts of debt.

The SOGAPPP results also provide some new insights into the similarities and differences in need analysis methodologies and other financial aid procedures used by graduate and professional programs. The vast majority of both types of programs use professional judgment and require students to submit additional application forms in order to receive need-based aid, particularly institutionally-funded scholarships and fellowships. The majority of the programs were more likely to initiate professional judgment procedures based on students' actions, such as appeal of award letters, substantial changes in income, or new information on federal income tax returns. However, financial aid administrators in private professional programs were more likely to review all need analysis data and use professional judgment if warranted, even if it were not requested by their aid applicants. Graduate programs were more likely to use professional judgment only for those students who requested a review of their need analysis data.

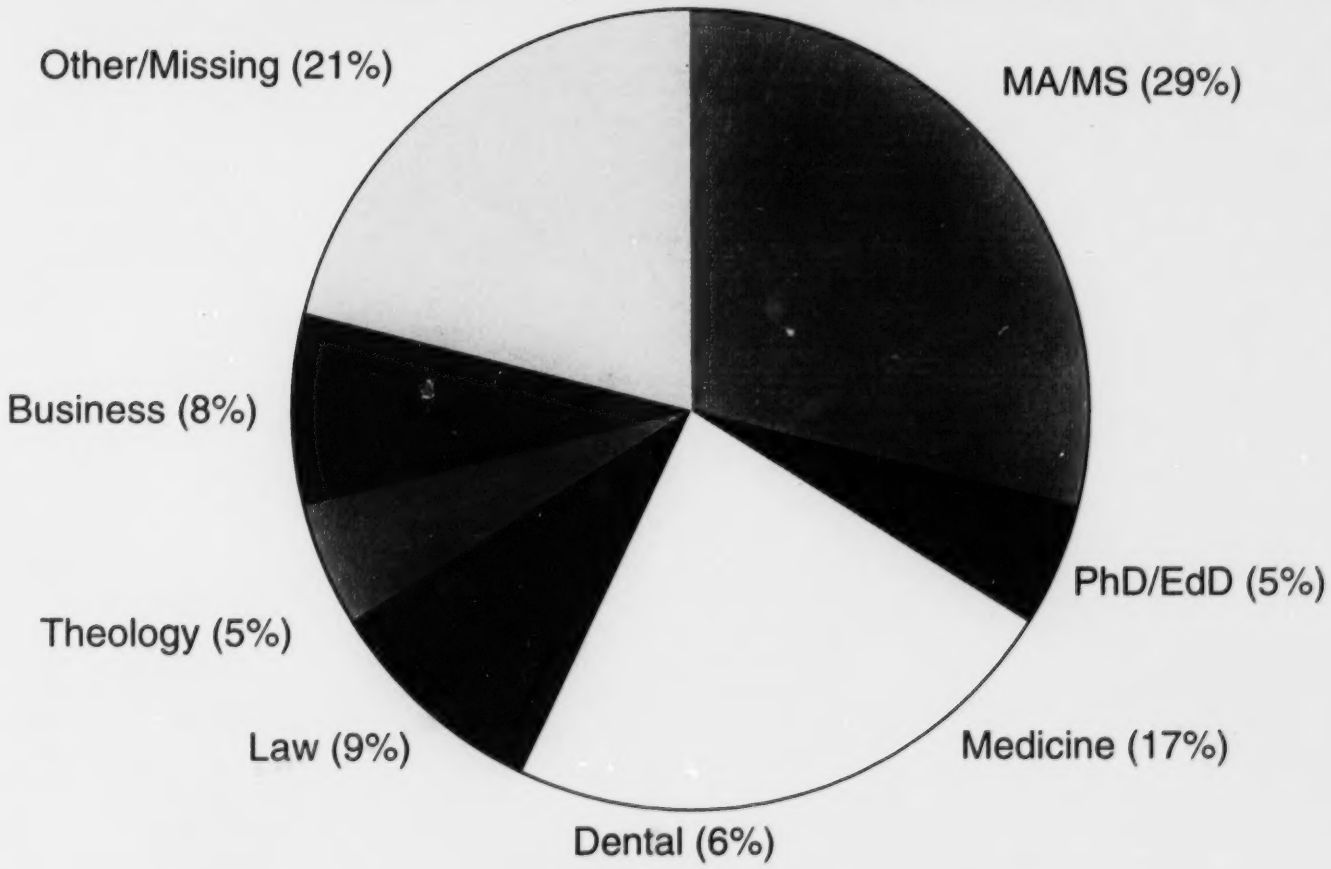
A greater percentage of professional programs used in-person exit counseling formats (either with individual students or in groups), while graduate programs were more likely to use other counseling formats—such as videos, Web-, PC-, and telephone-based. On the other hand, a greater proportion of graduate programs said they have access to student account records on-line and other forms of high technology used for financial aid office management.

These differences were possibly due to the wide variation in the financial aid environments of graduate and professional aid offices. The private professional programs were more likely to have stand alone financial aid office environments. These offices serve just one type of student population, and, apparently, they were able to provide a greater variety of individualized services (such as one-on-one loan exit counseling) for their students. Public college graduate programs tend to have centralized environments, which serve a wide variety of students from many different academic programs. These programs may not have the staff to provide individualized services. This does not, however, imply that the services are any less effective for packaging aid or other services to students.

However, several knowledge gaps still exist in the graduate and professional financial aid operations and procedures. Data on doctoral programs could not be reported because the number of respondents from these programs was too low to provide reliable estimates. Little also is known about the use of research and teaching assistantships, outside sources of aid, and other issues important to graduate and first professional financing that the SOGAPPP could not answer. Additional research will be needed to answer these concerns.

Despite these gaps, the SOGAPPP has provided useful indicators of the distribution of financial aid and financial aid management issues for aid administrators. Further research in these areas should shed additional insights on the ways financial aid administrators package student assistance and other services to graduate and professional students and their families, and may provide alternatives to borrowing for these students.

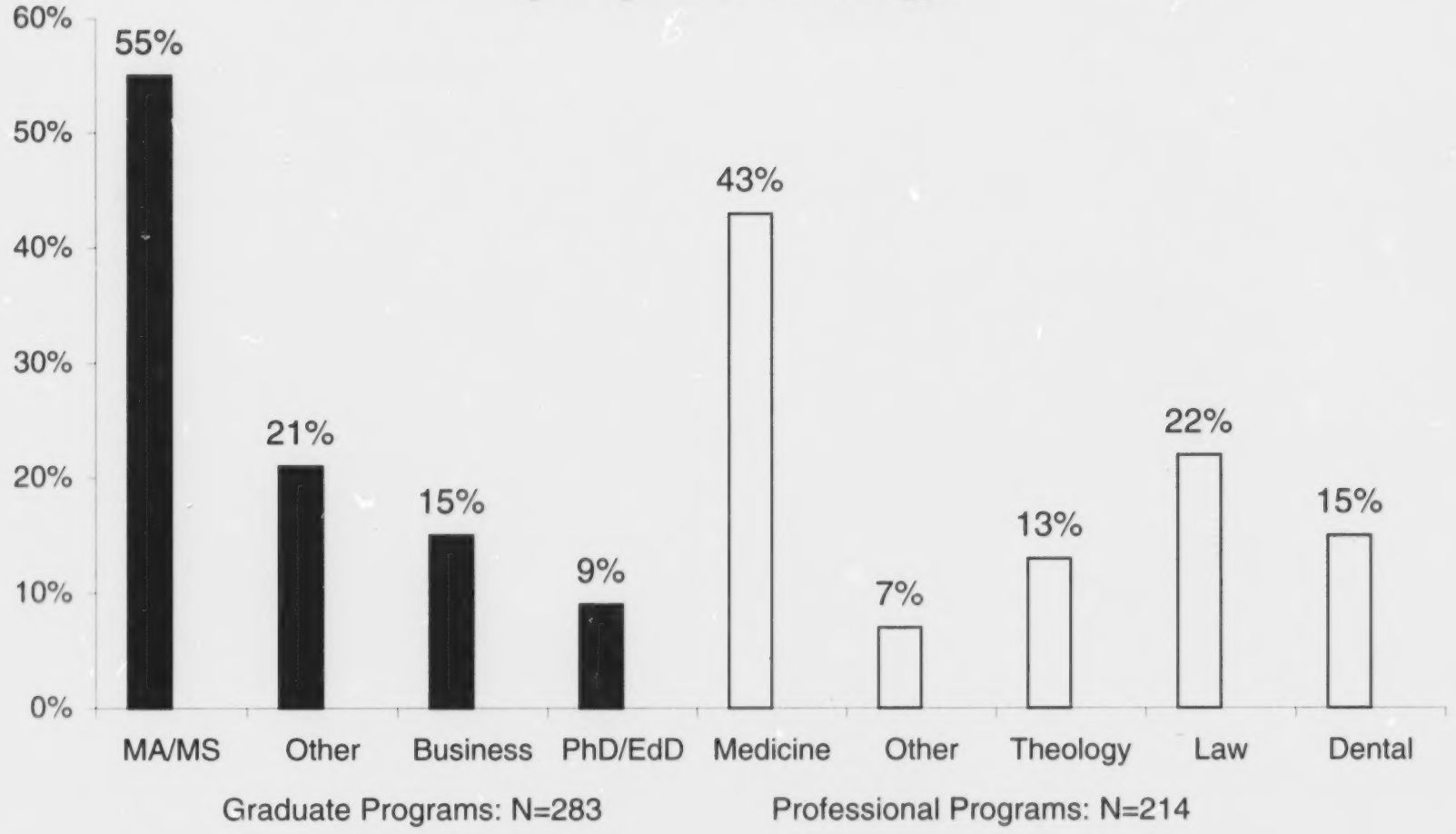
Figure 1. Respondents to the 1998 Survey of Graduate Aid Policies, Practices, and Procedures, by Program Type



Total Respondents=537

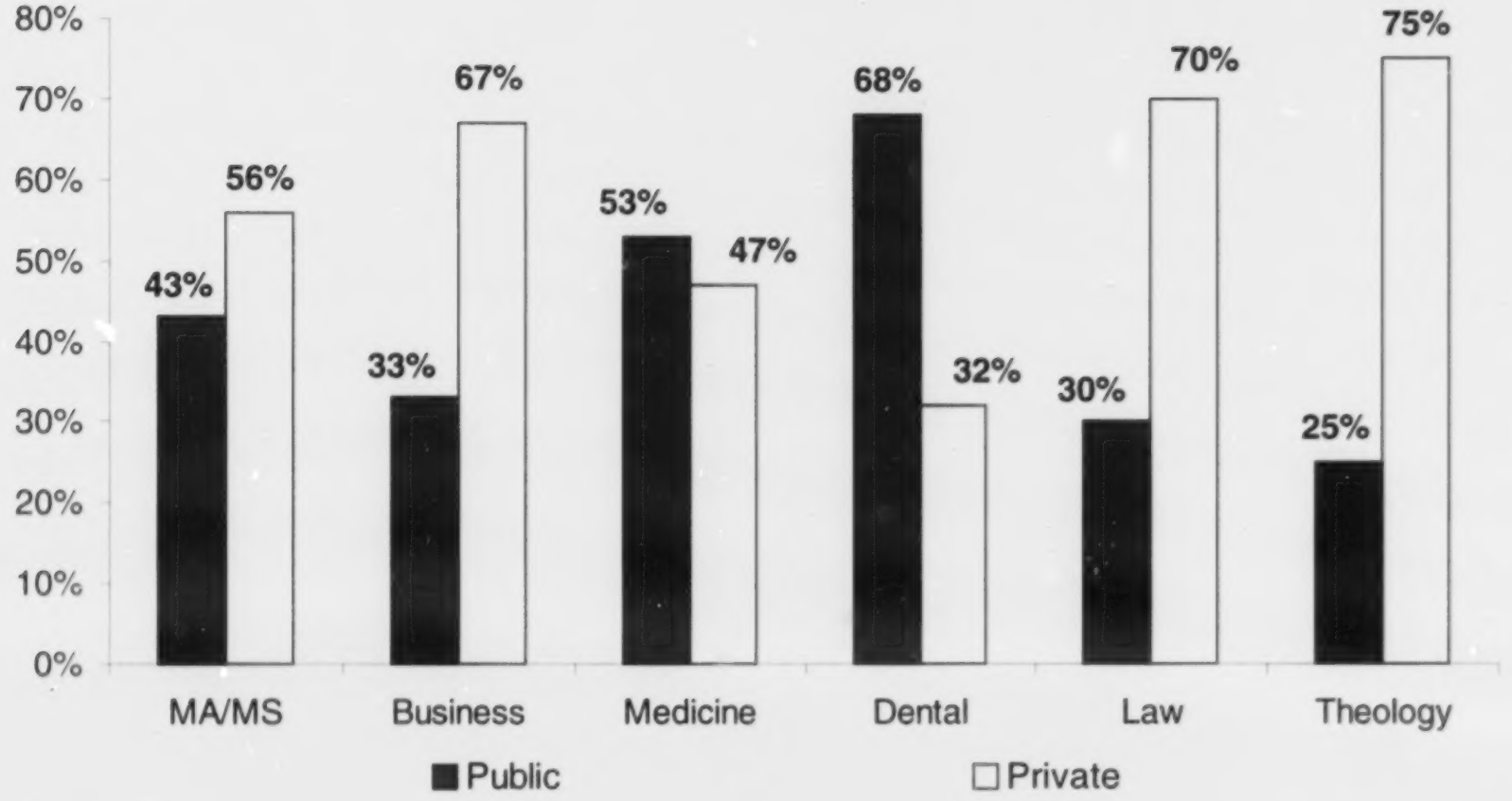
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 2. Respondents to the SOGAPPP Survey by Program Level and Type



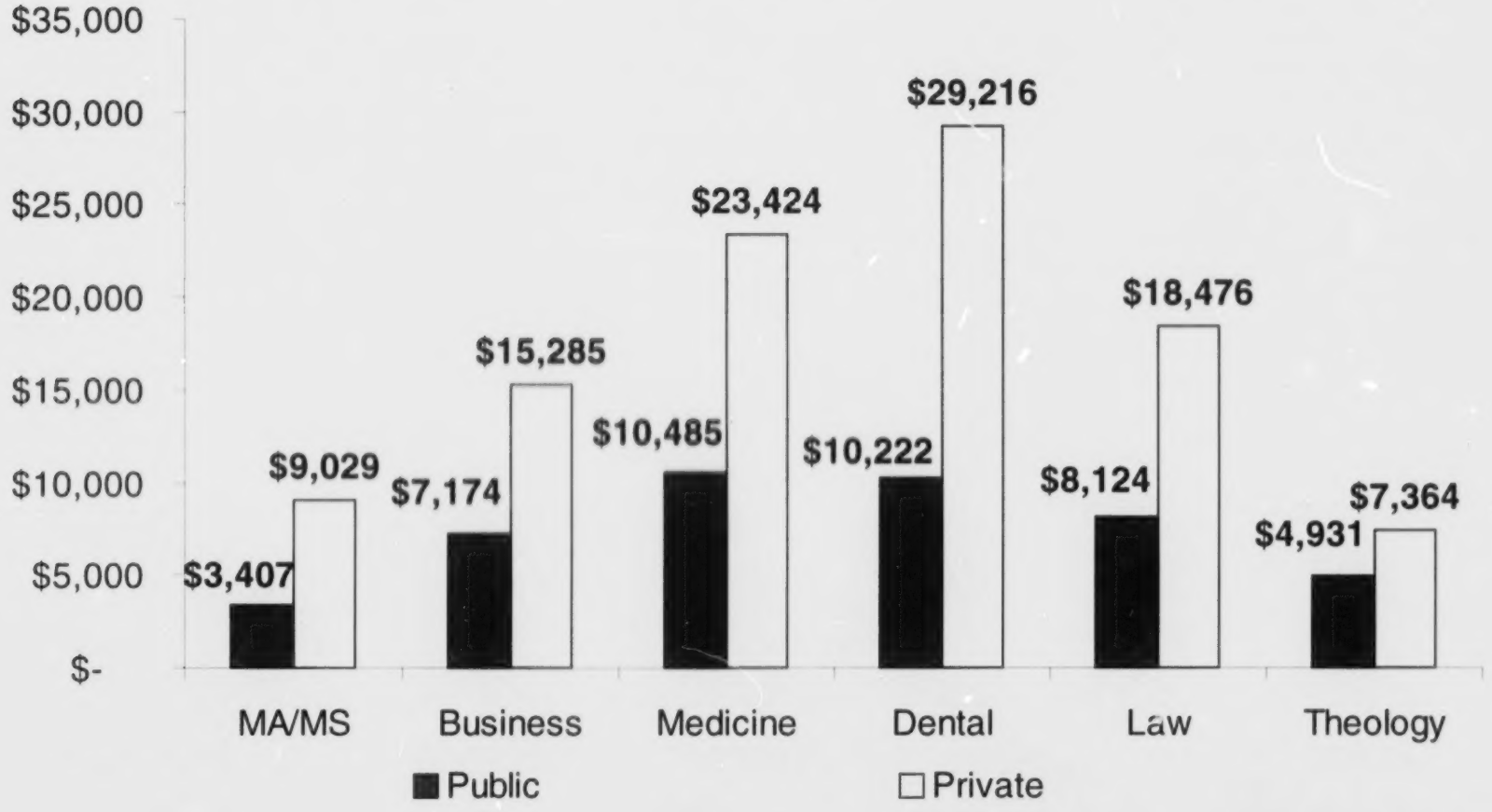
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999. Forty programs could not be identified and were not included in the analysis.

Figure 3. Respondents to the SOGAPPP Survey, by Program and Institution Type



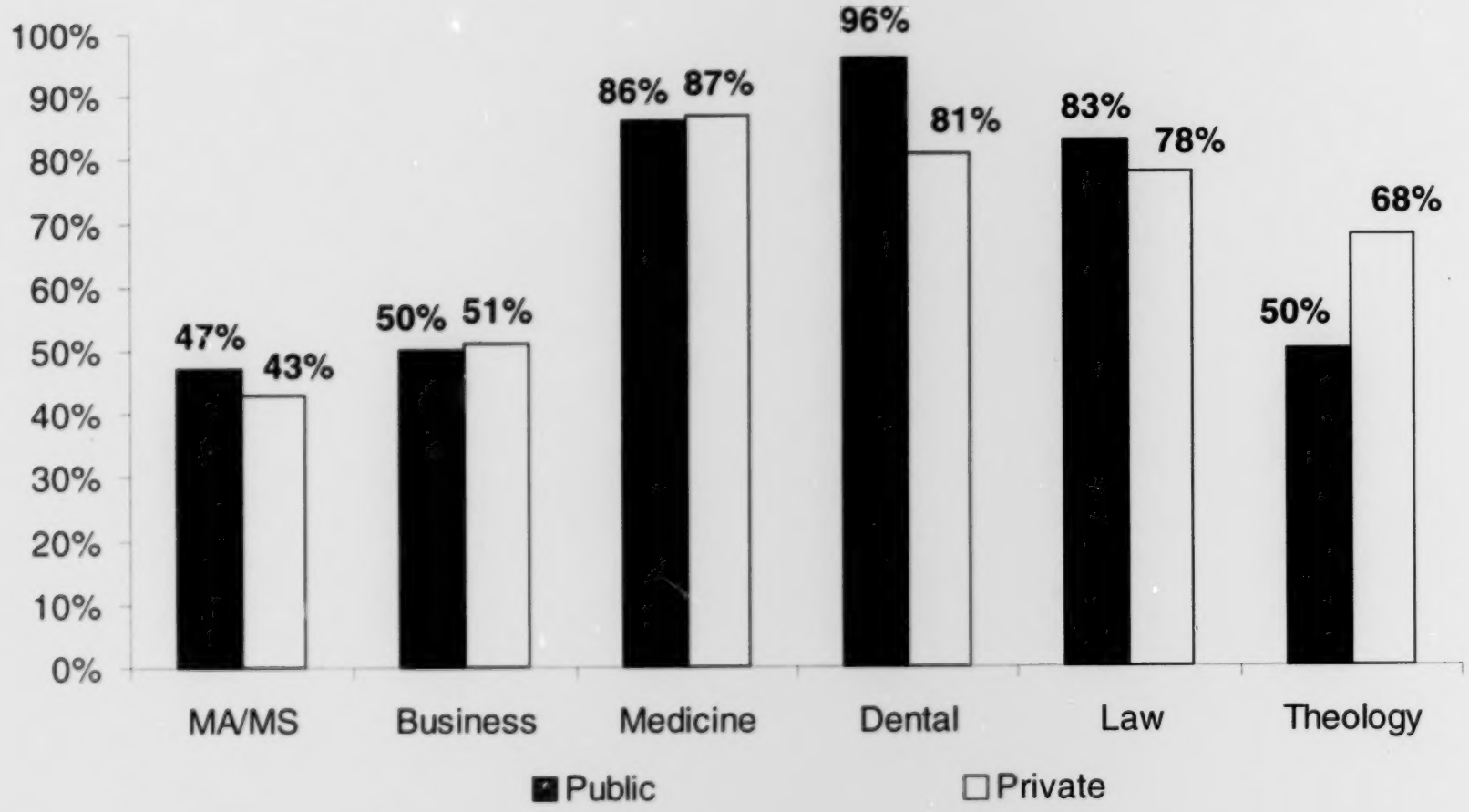
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 4. Average 1997-98 Resident Tuition and Fee Charges for Full-Time Graduate and Professional Students, by Program and Institution Type



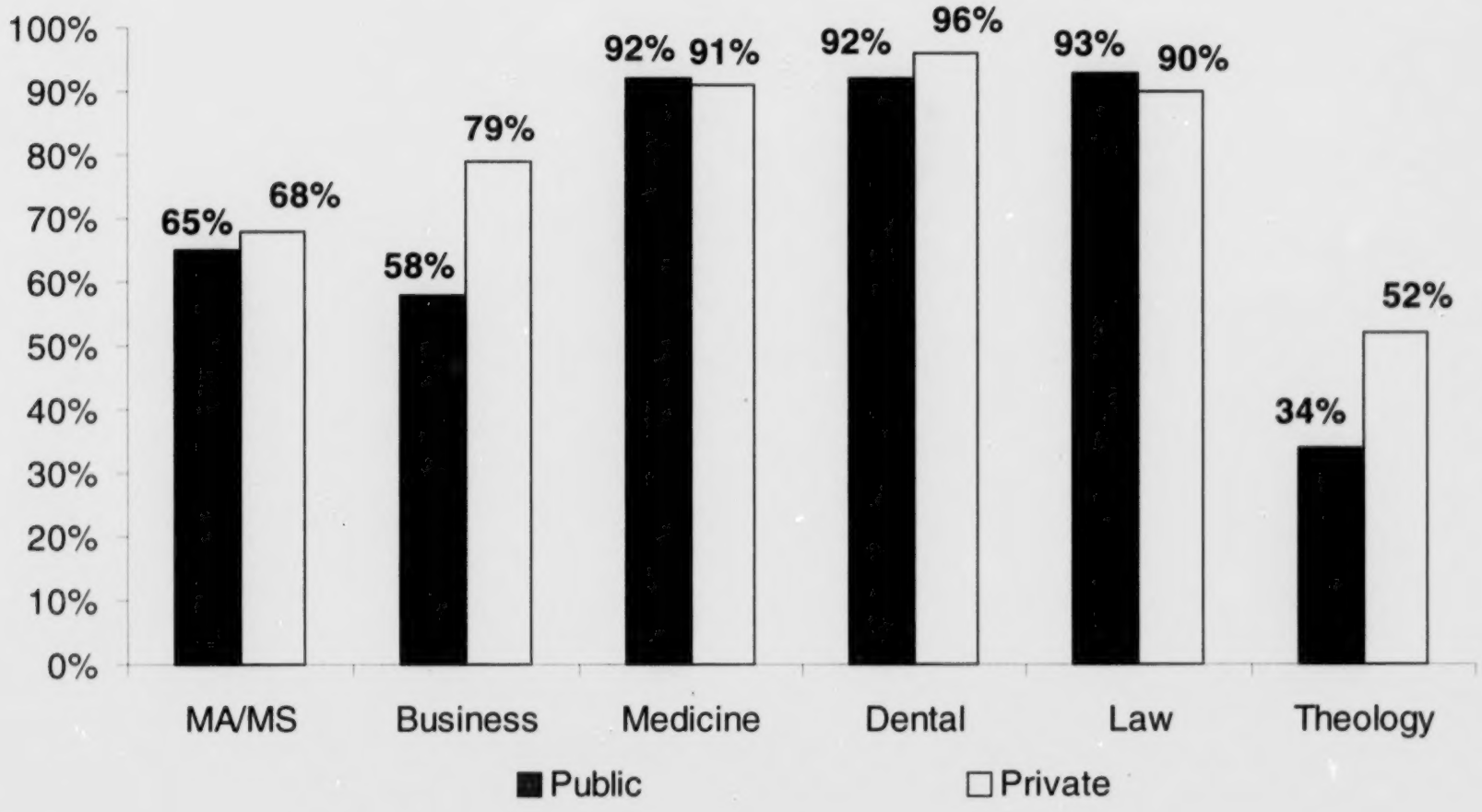
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 5. Percentage of Students Who Received Financial Aid in 1997-98, by Program and Institution Type



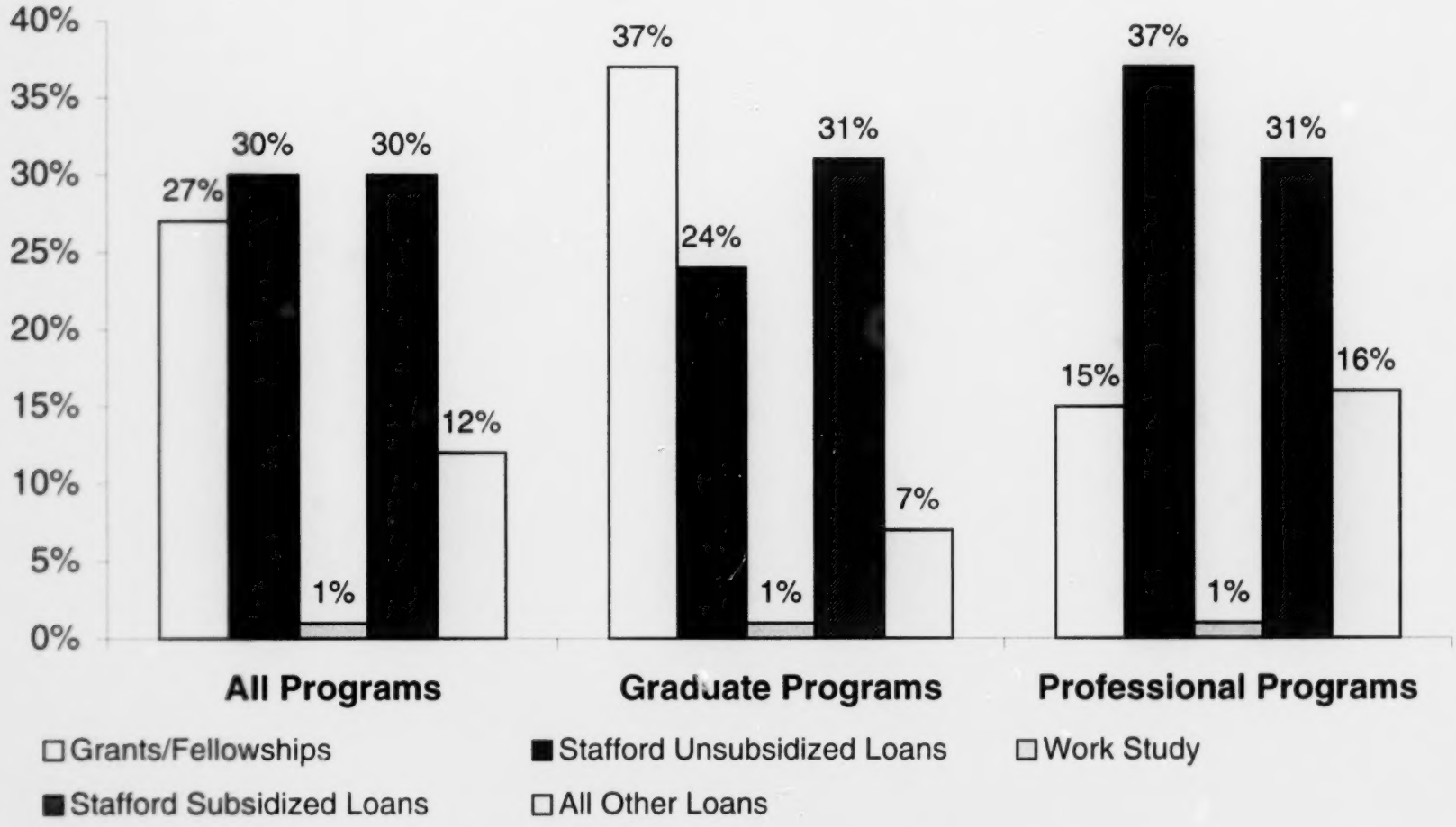
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 6. Percentage of Student Aid Recipients Who Borrowed From Any Source in 1997-98, by Program and Institution Type



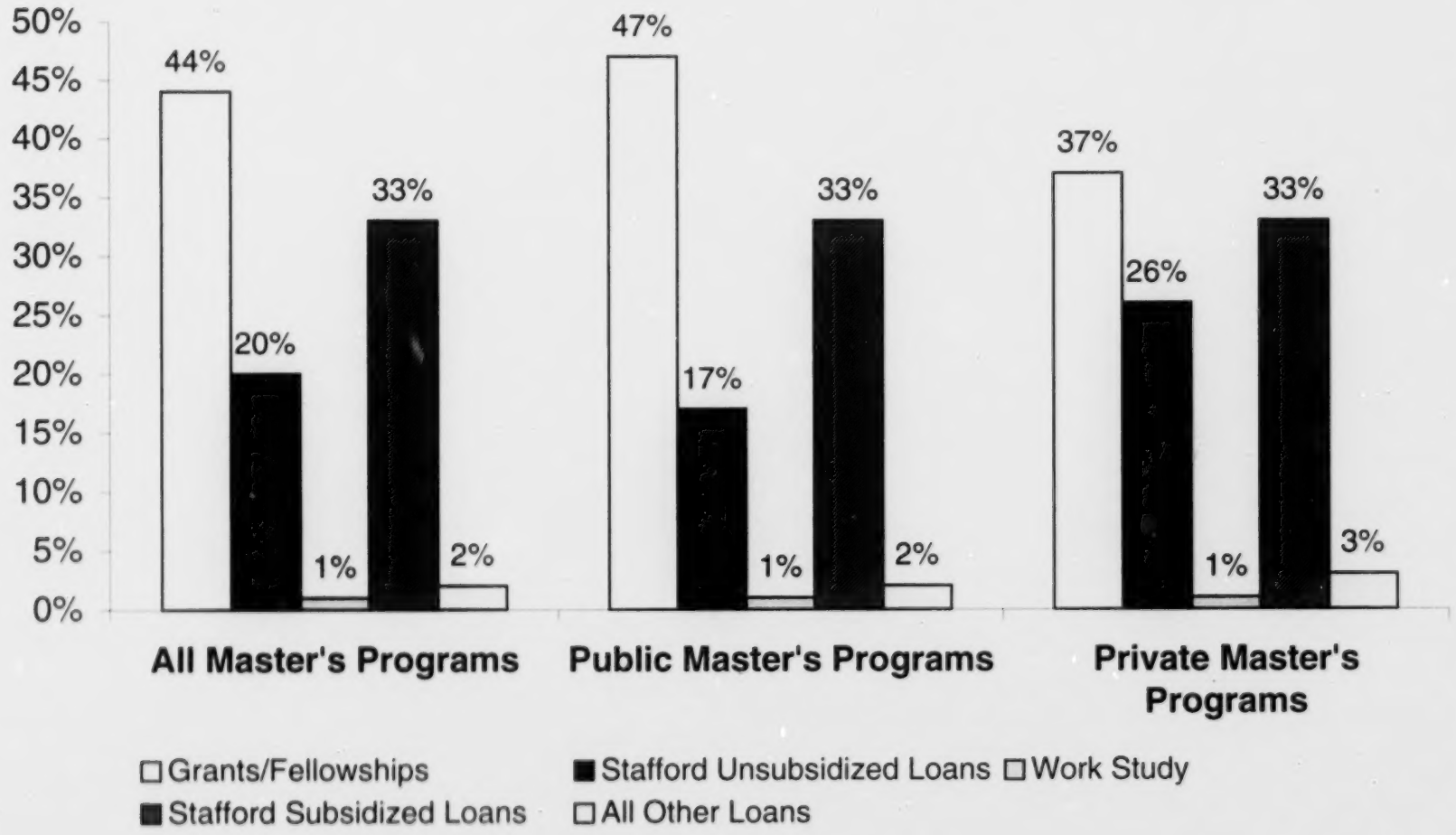
Source: 1998 Survey of Graduate Aid Policies, Practices, and

Figure 7A. Distribution of Financial Aid Funds for Students in Graduate and Professional Programs in 1997-98, by Types of Aid



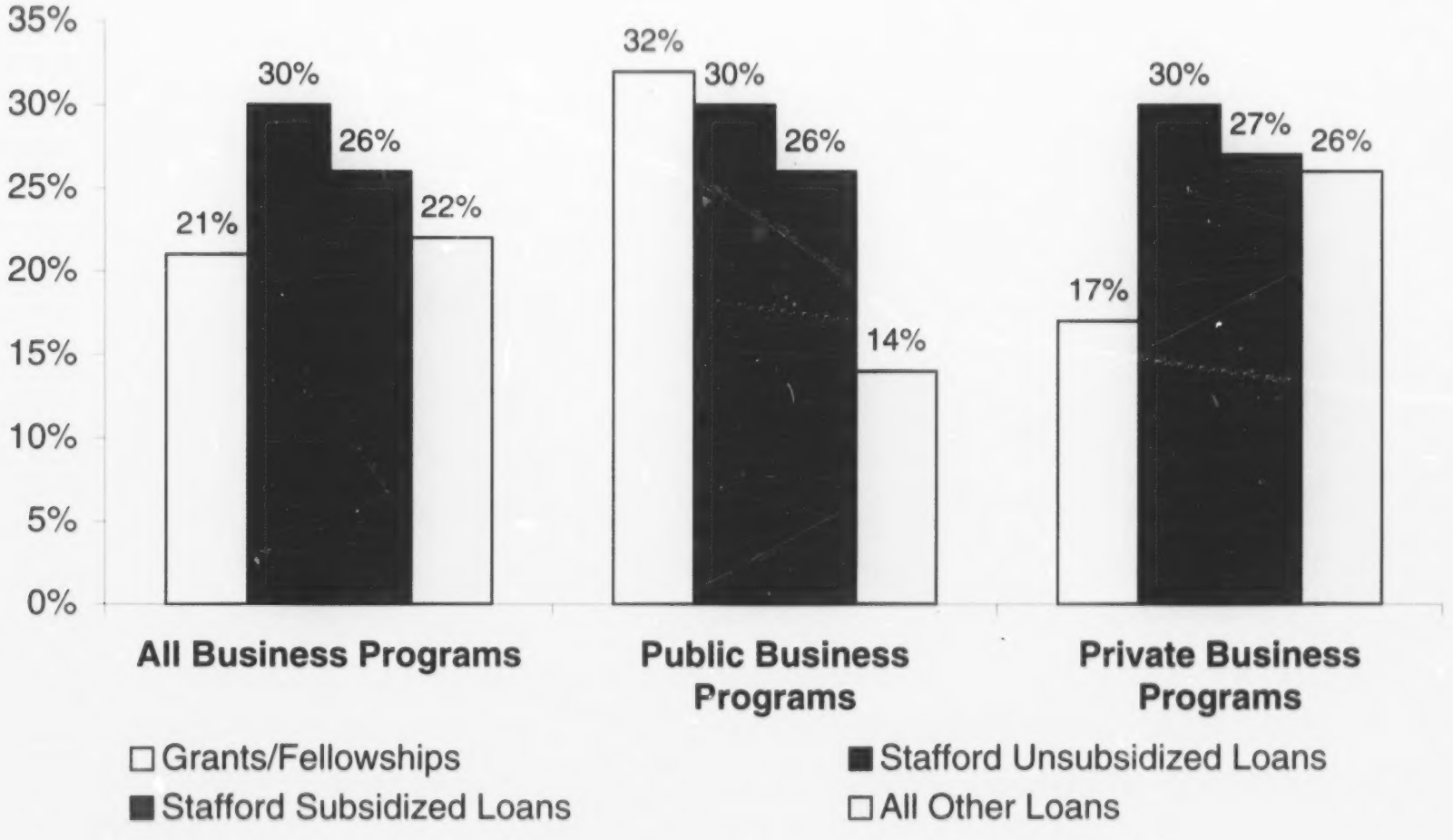
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 7B. Distribution of Financial Aid Funds for Students in Master's Degree (MA/MS) Programs in 1997-98, by Types of Aid



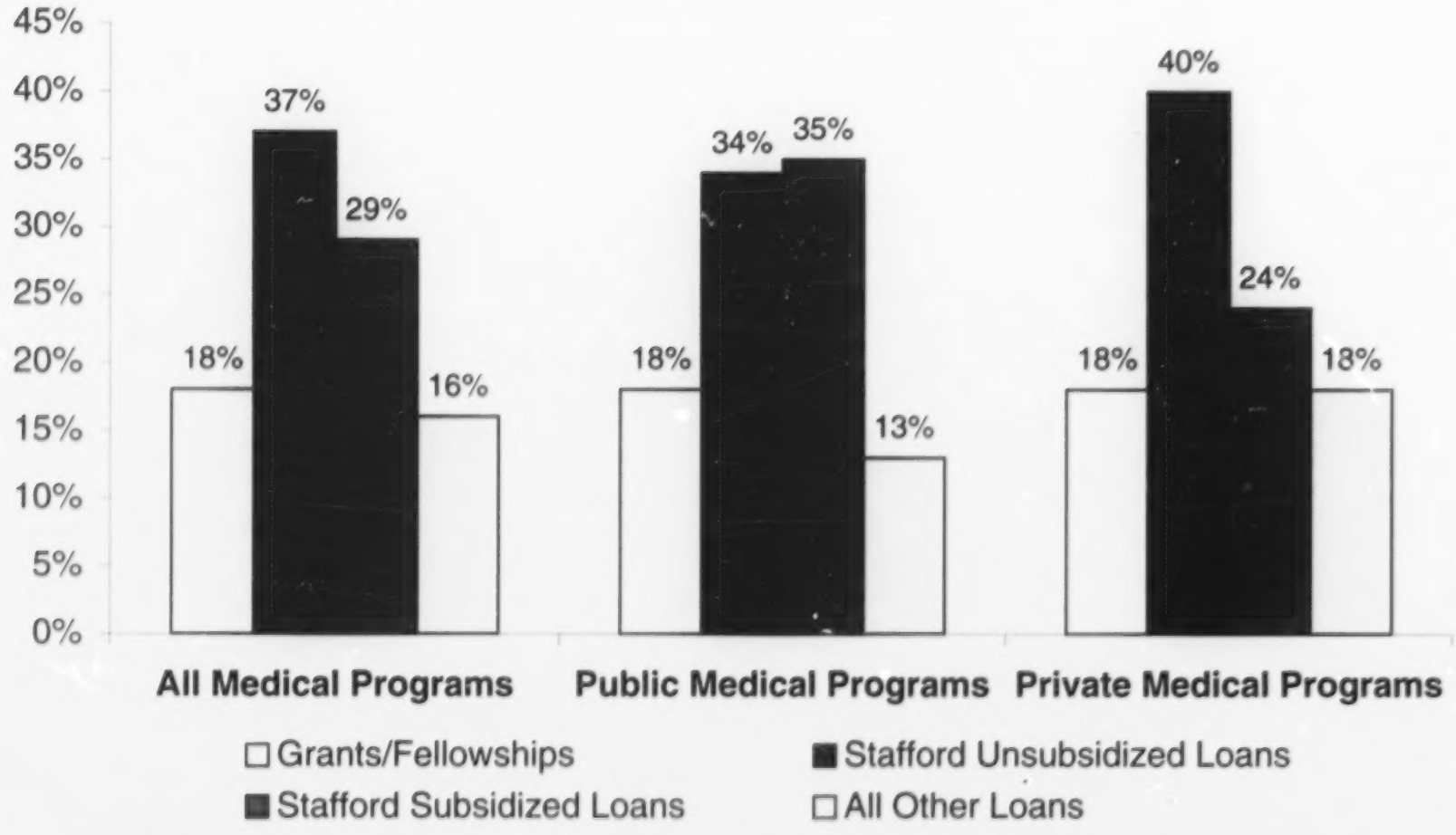
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 7C. Distribution of Financial Aid Funds for Students in Business School Programs in 1997-98, by Types of Aid



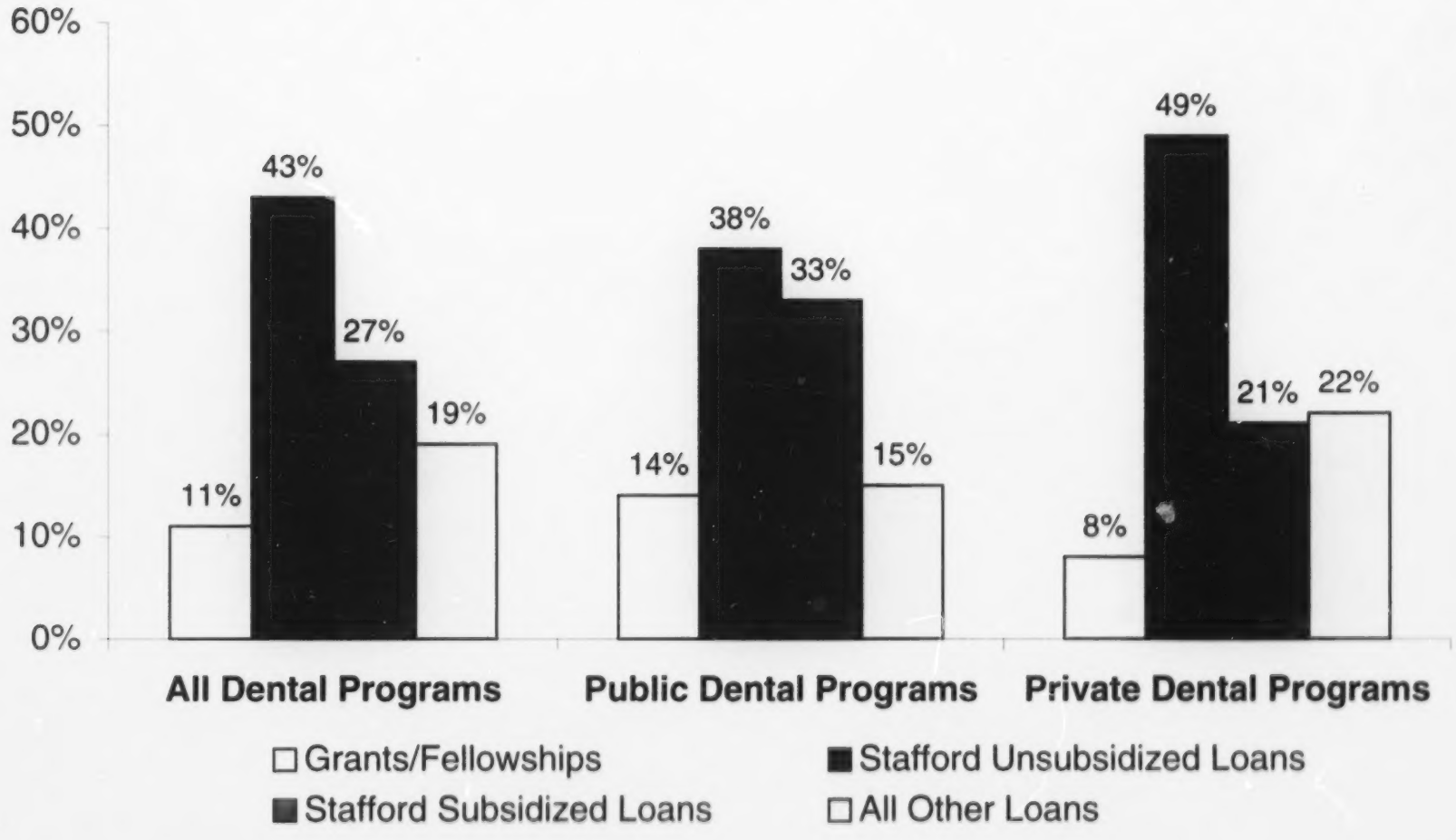
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 7D. Distribution of Financial Aid Funds for Students in Medical School Programs in 1997-98, by Types of Aid



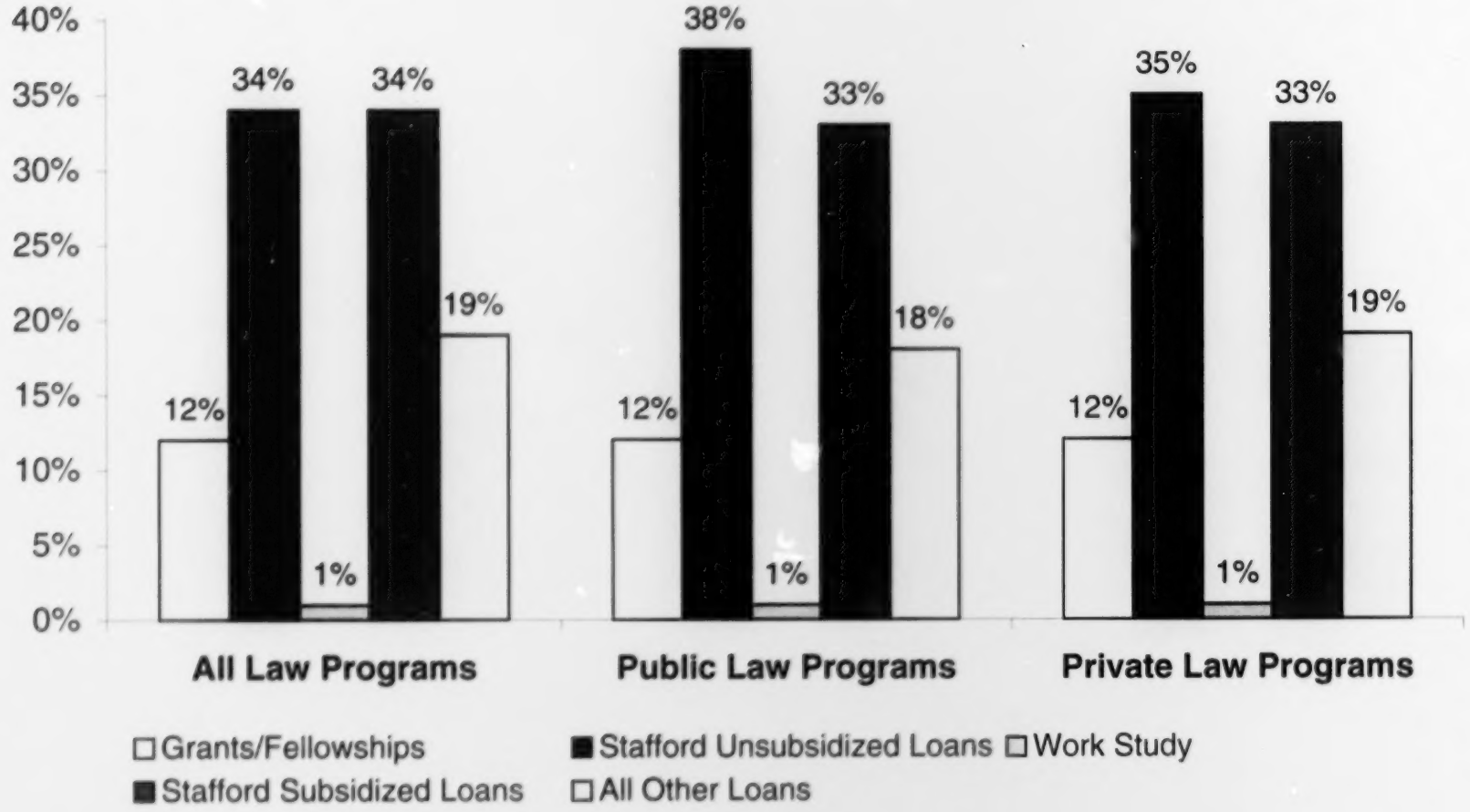
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 7E. Distribution of Financial Aid Funds for Students in Dental School Programs in 1997-98, by Type of Aid



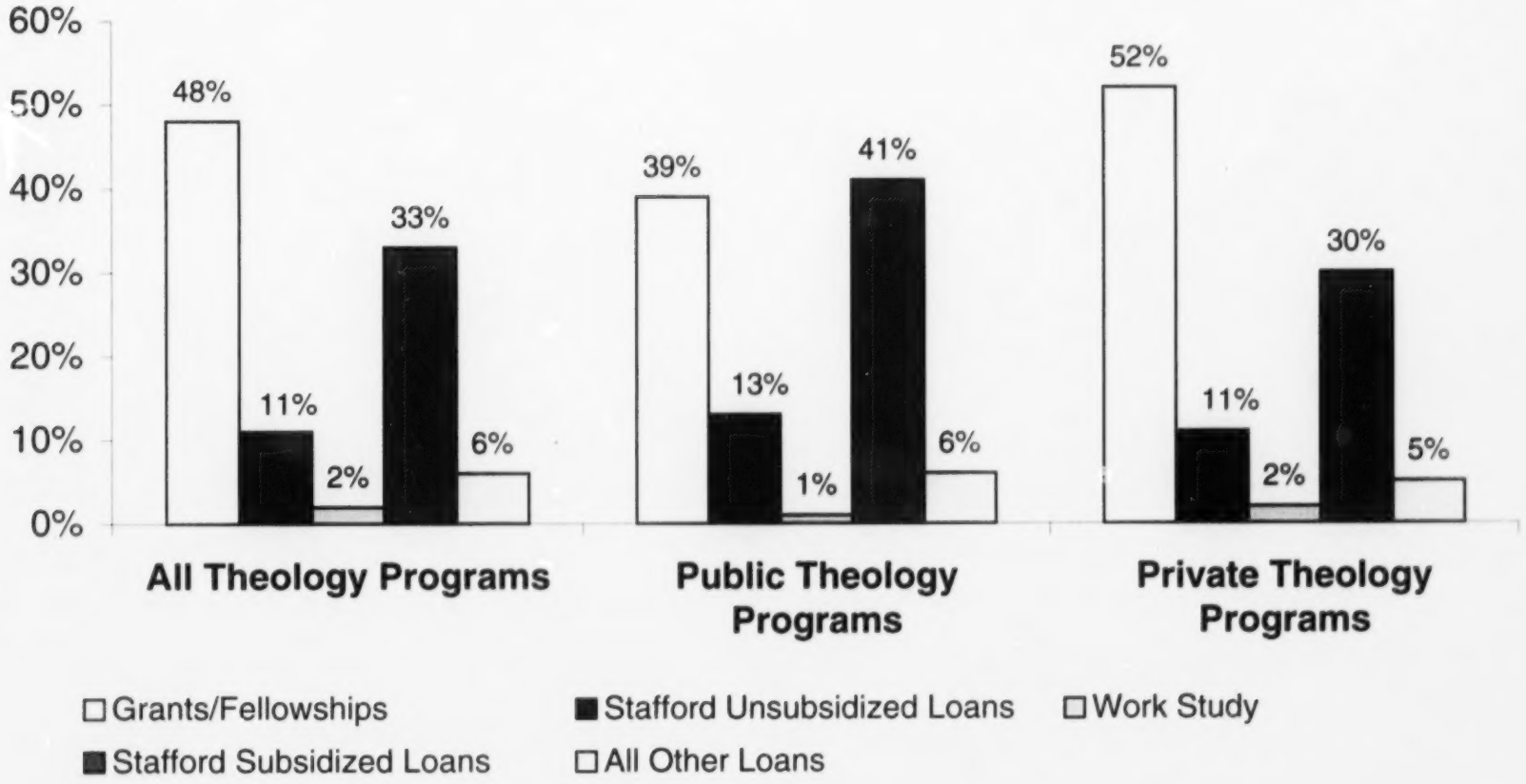
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 7F. Distribution of Financial Aid Funds for Students in Law School Programs



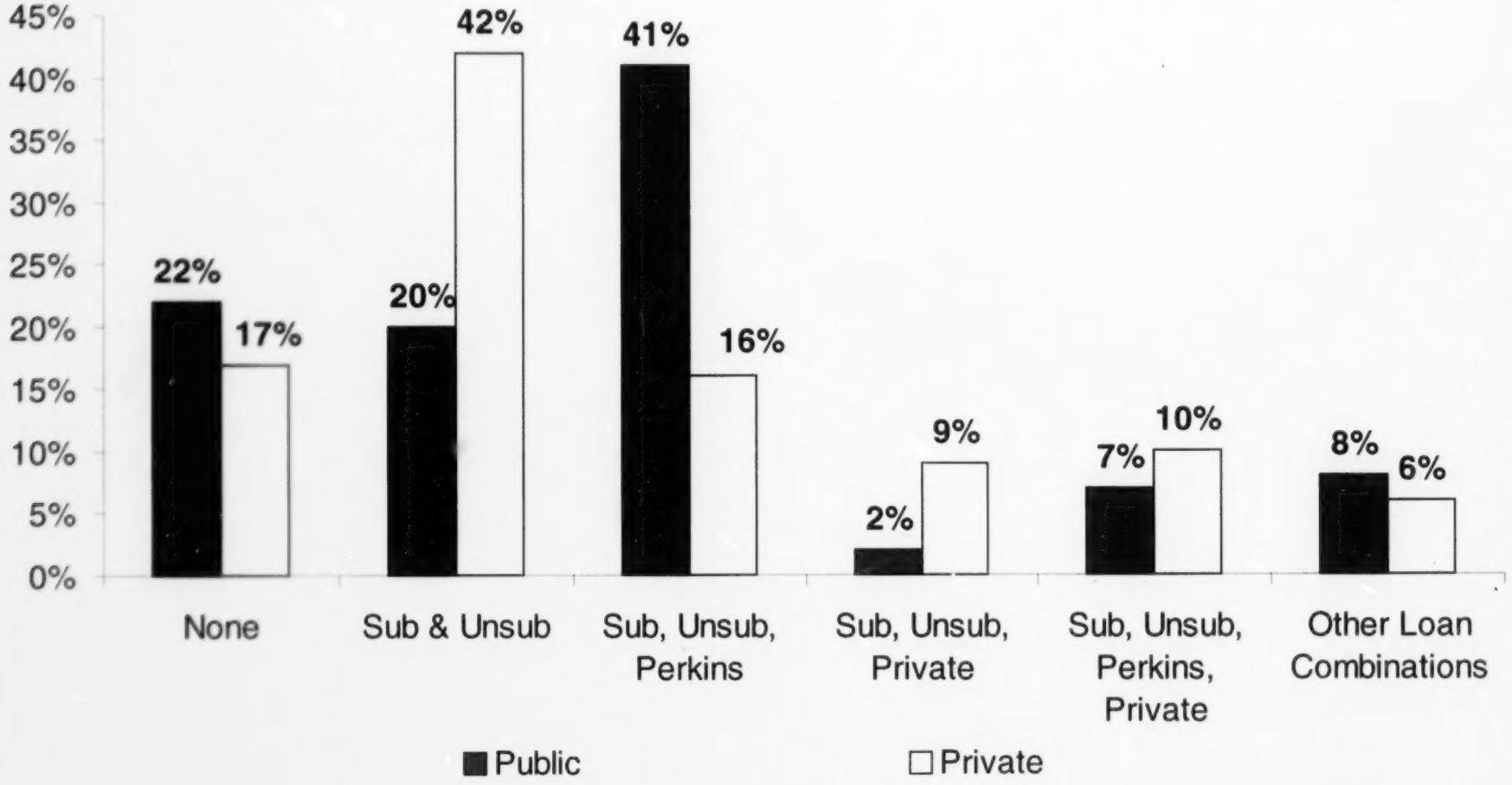
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 7G. Distribution of Financial Aid Funds for Students in Theology School Programs in 1997-98, by Types of Aid



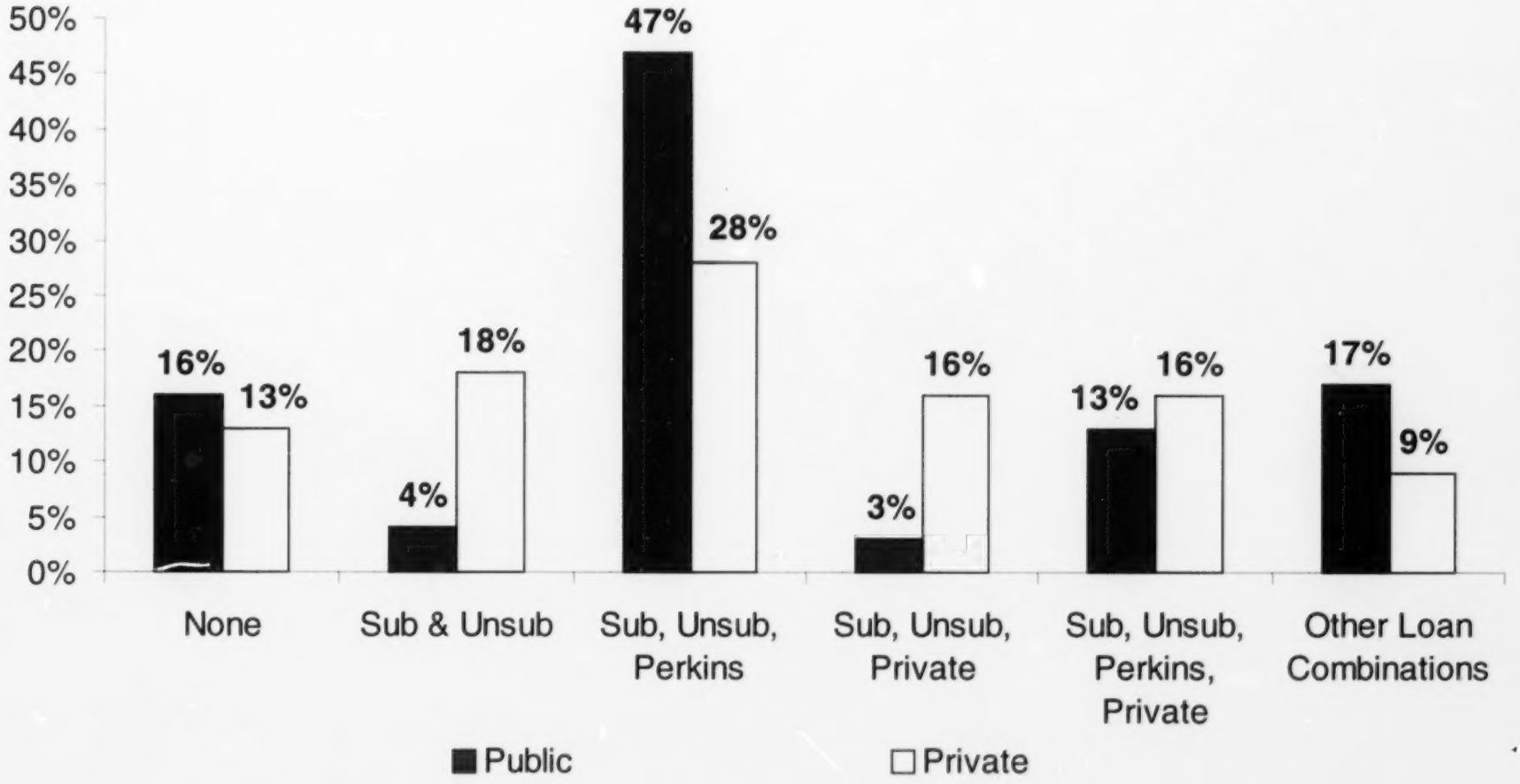
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 8A. Loan Packaging Poiicies at Graduate Programs in 1997-98, by Institutional Type



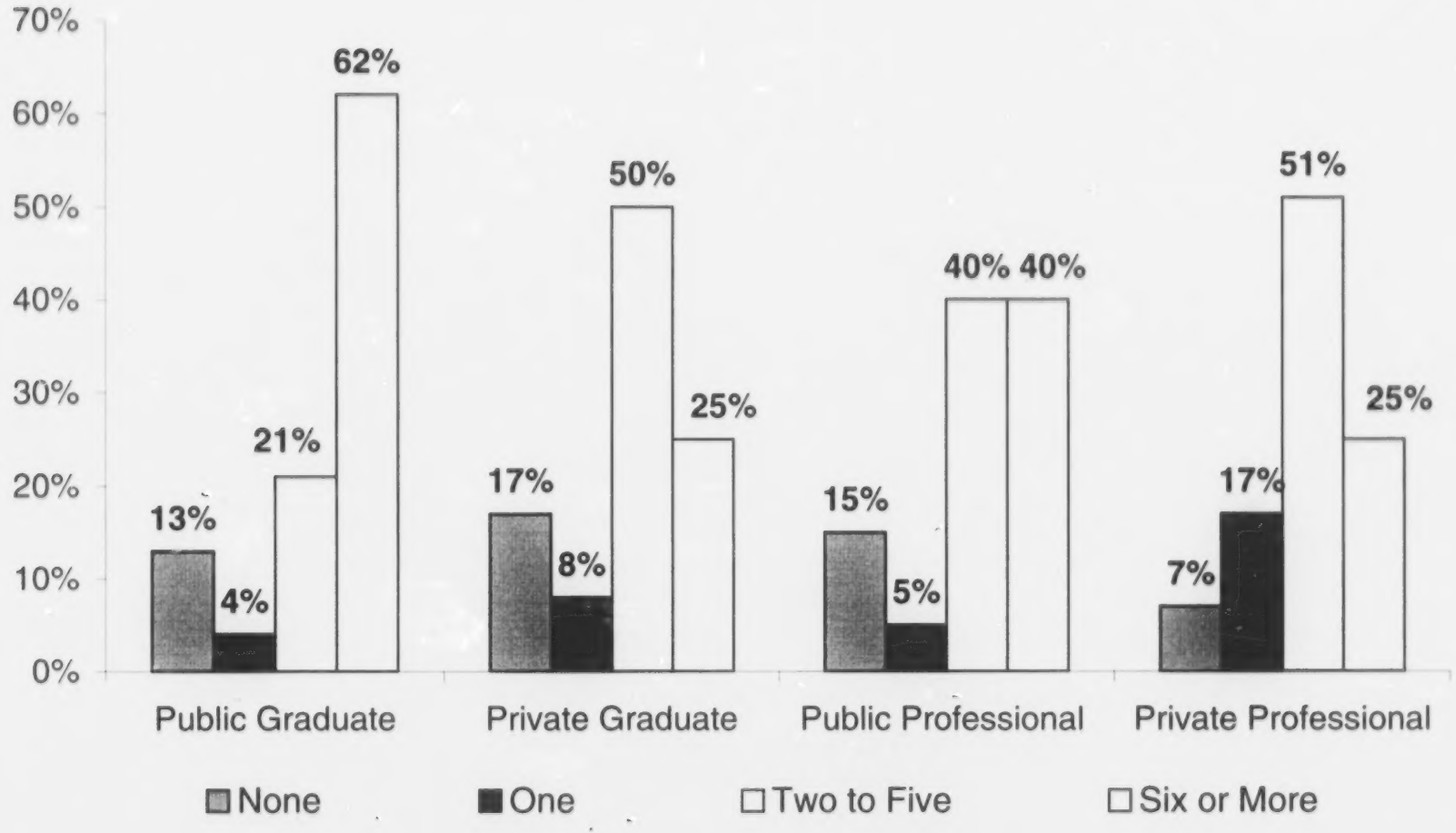
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999

Figure 8B. Loan Packaging Policies at Professional Programs in 1997-98, by Institutional Type



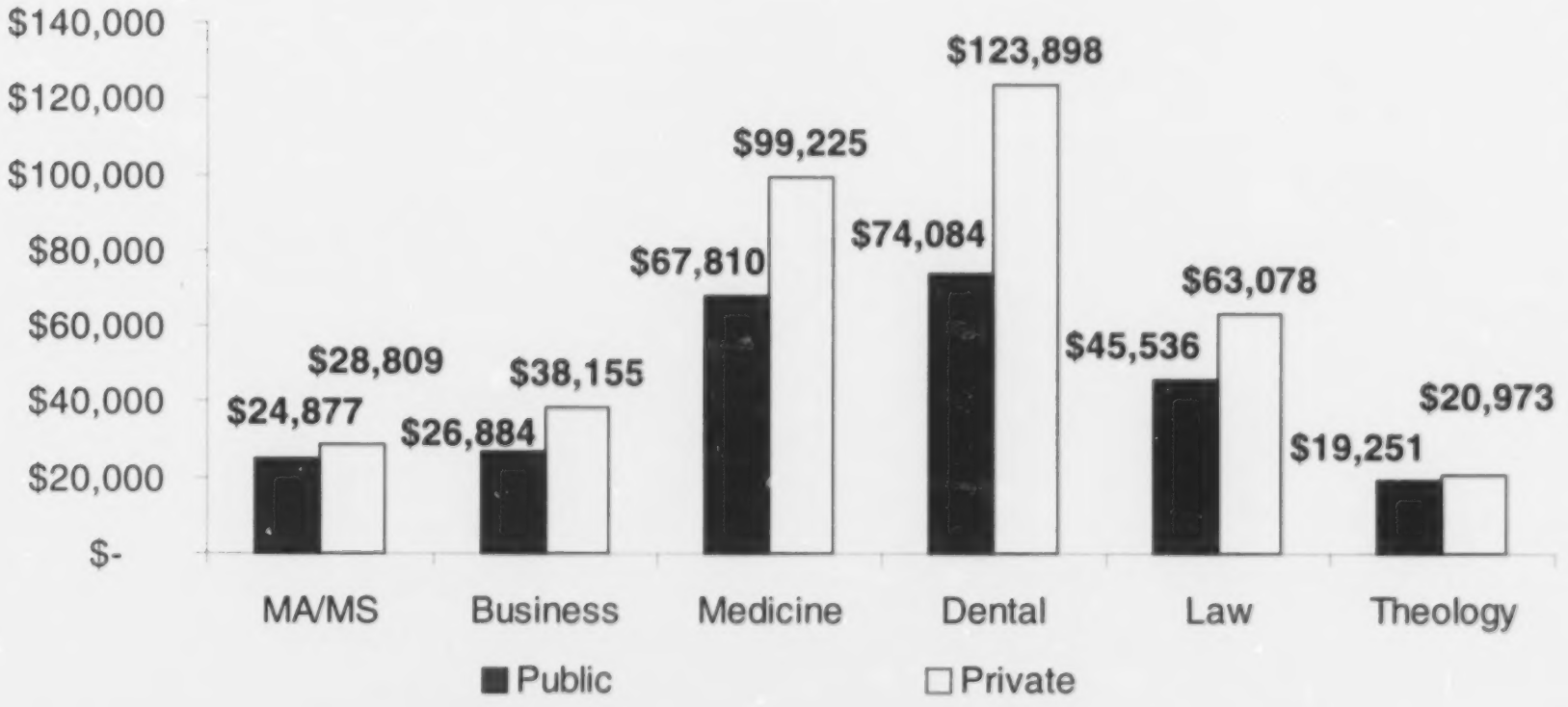
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 9. Number of Preferred FFEL Lenders, by Program Level and Institution Type



Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999. Figure does not include programs that participated in the Federal Direct Student Loan Program.

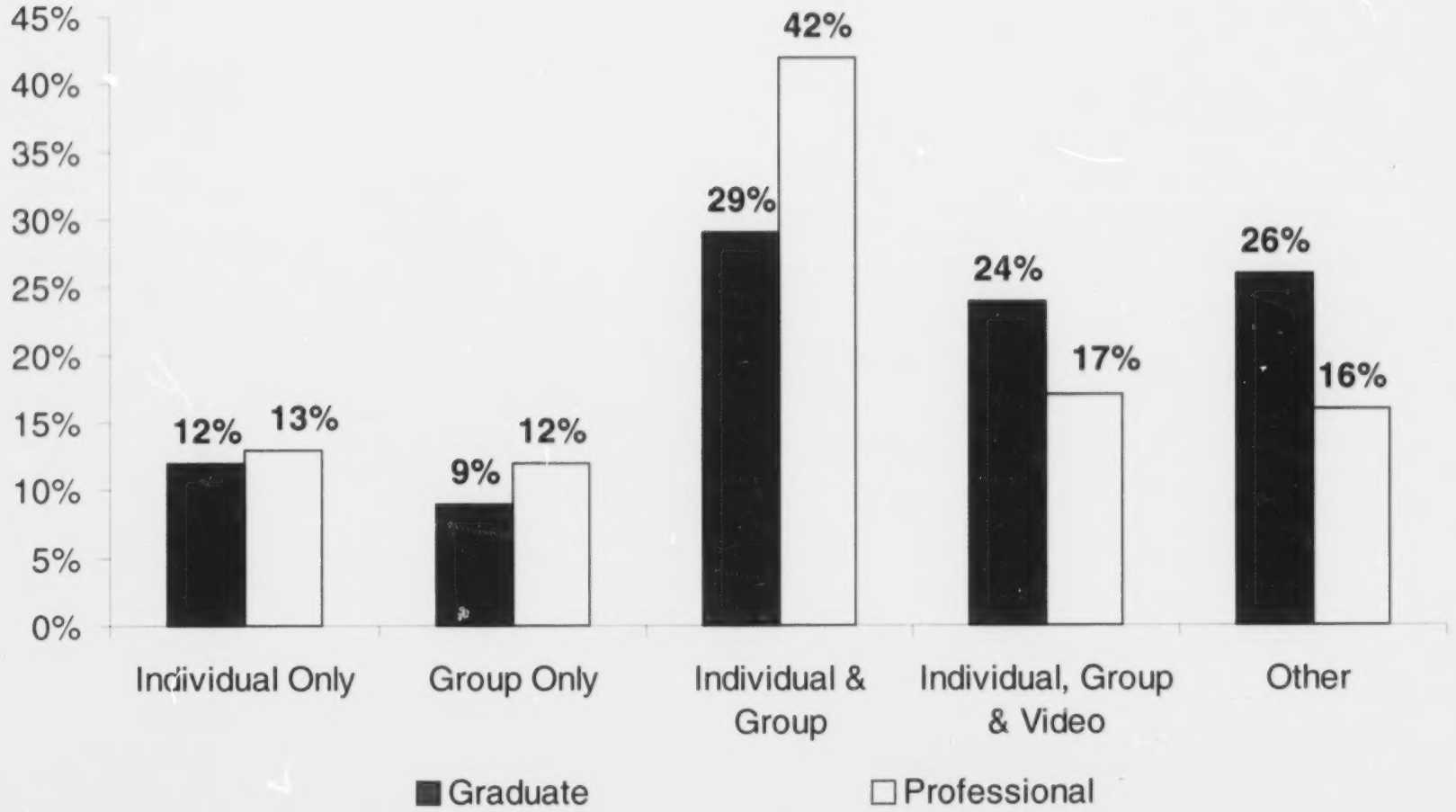
Figure 10. Average Total Student Loan Debt for Students Who Received Their Degrees in 1997-98*, by Program and Institution Type



*Includes amounts borrowed as undergraduates. Figures are based on the students who graduated with debt. Averages do not include amounts borrowed under the PLUS loan program.

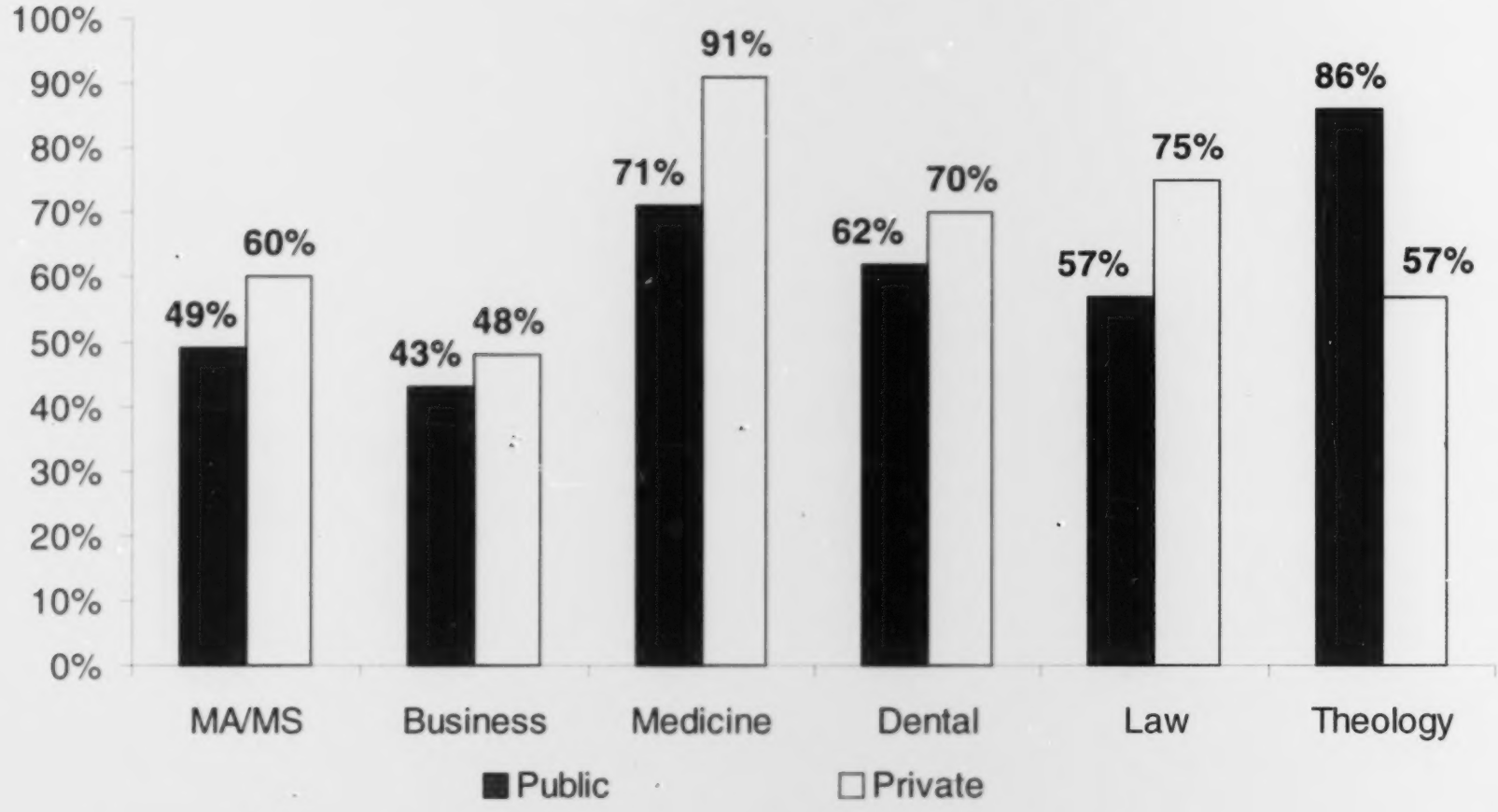
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 11. Loan Exit Counseling Formats Used by Graduate and Professional Programs in 1997-98



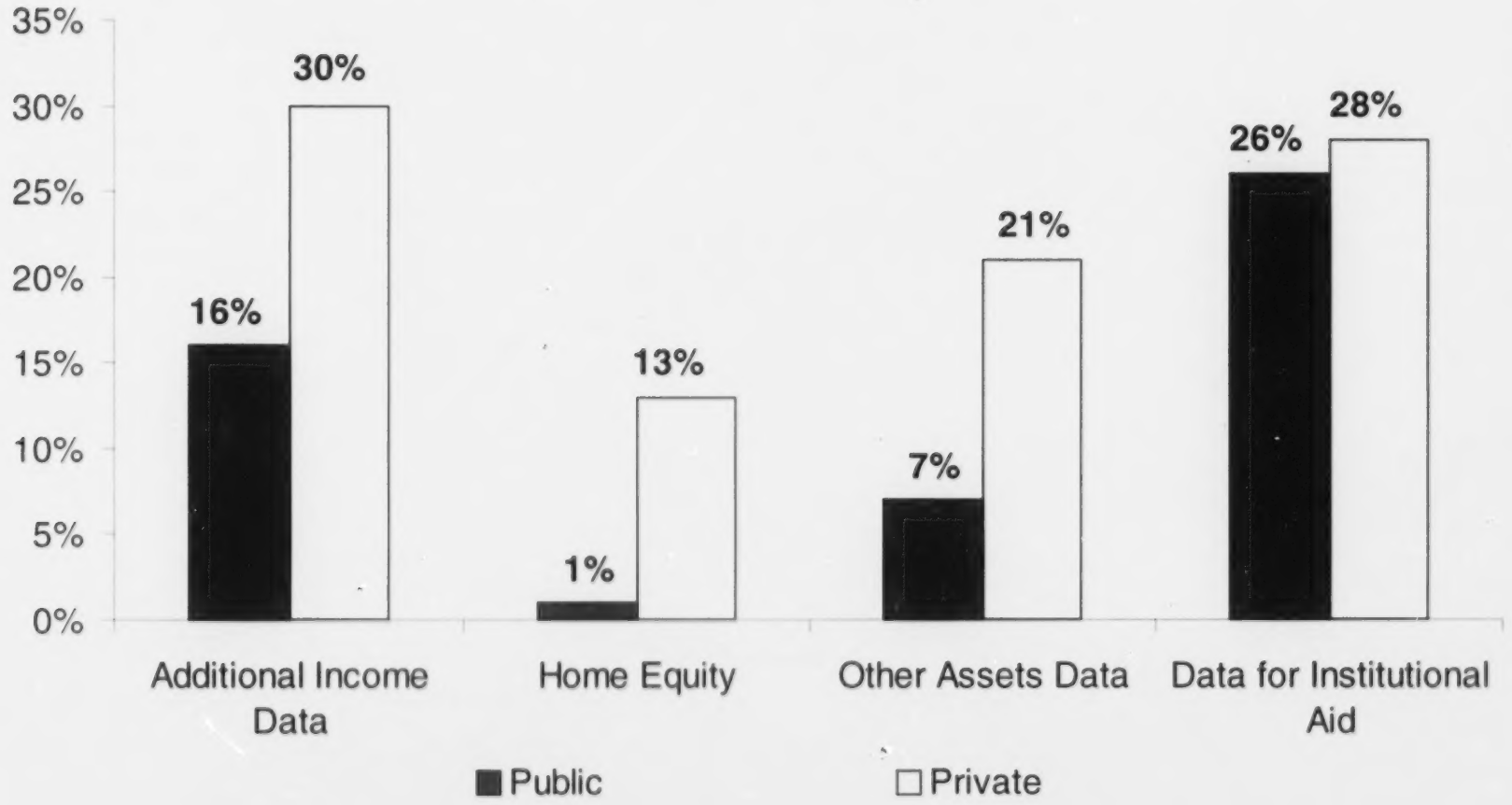
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999. Includes only those programs that identified their exit counseling formats.

Figure 12. Percentage of Programs That Require Aid Applicants to Submit A Financial Aid Form In Addition to the FAFSA



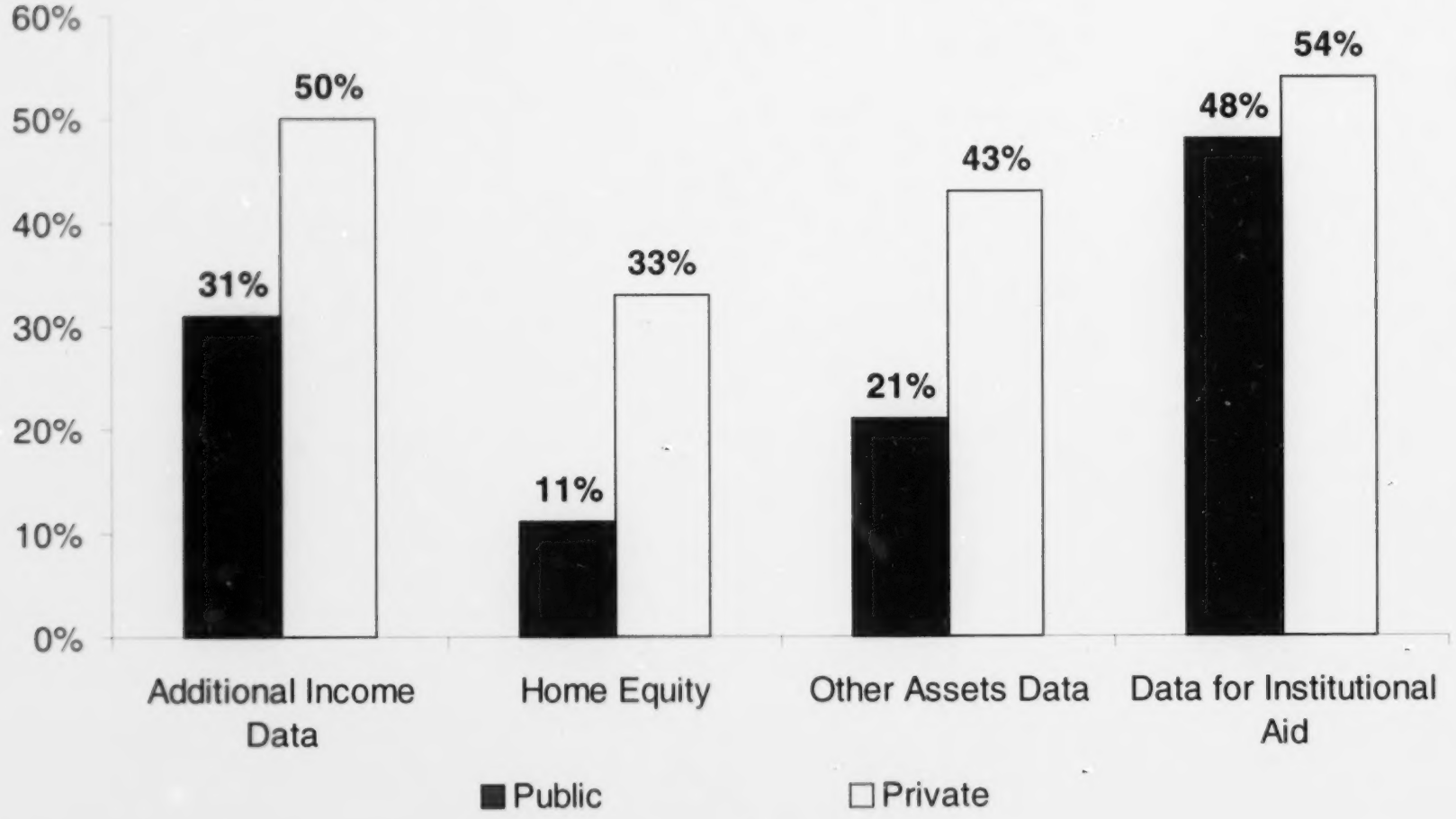
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 13A. Additional Financial Data Required by Graduate Programs, by Institutional Types



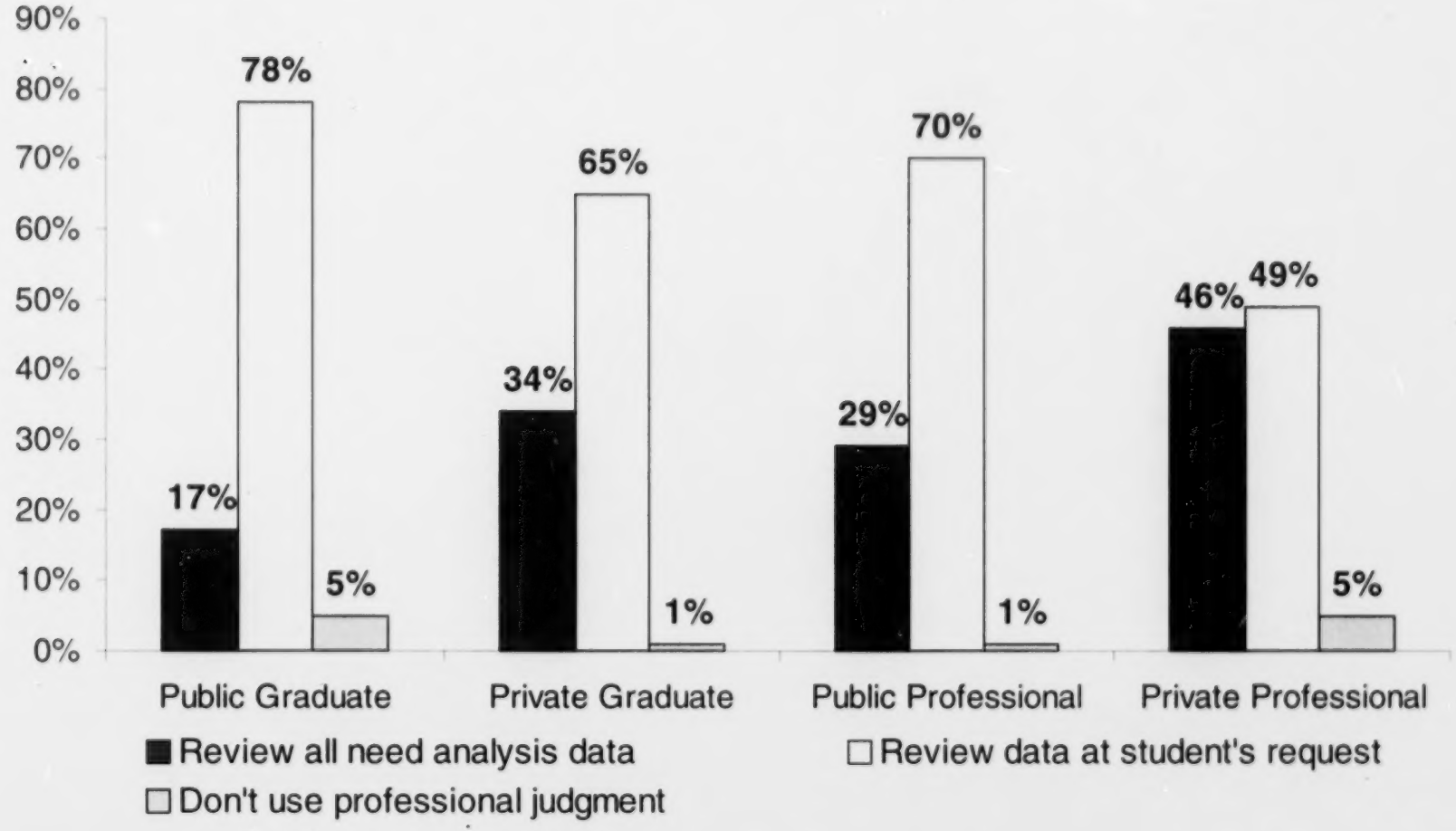
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 13B. Additional Financial Data Required by Professional Programs, by Institutional Type



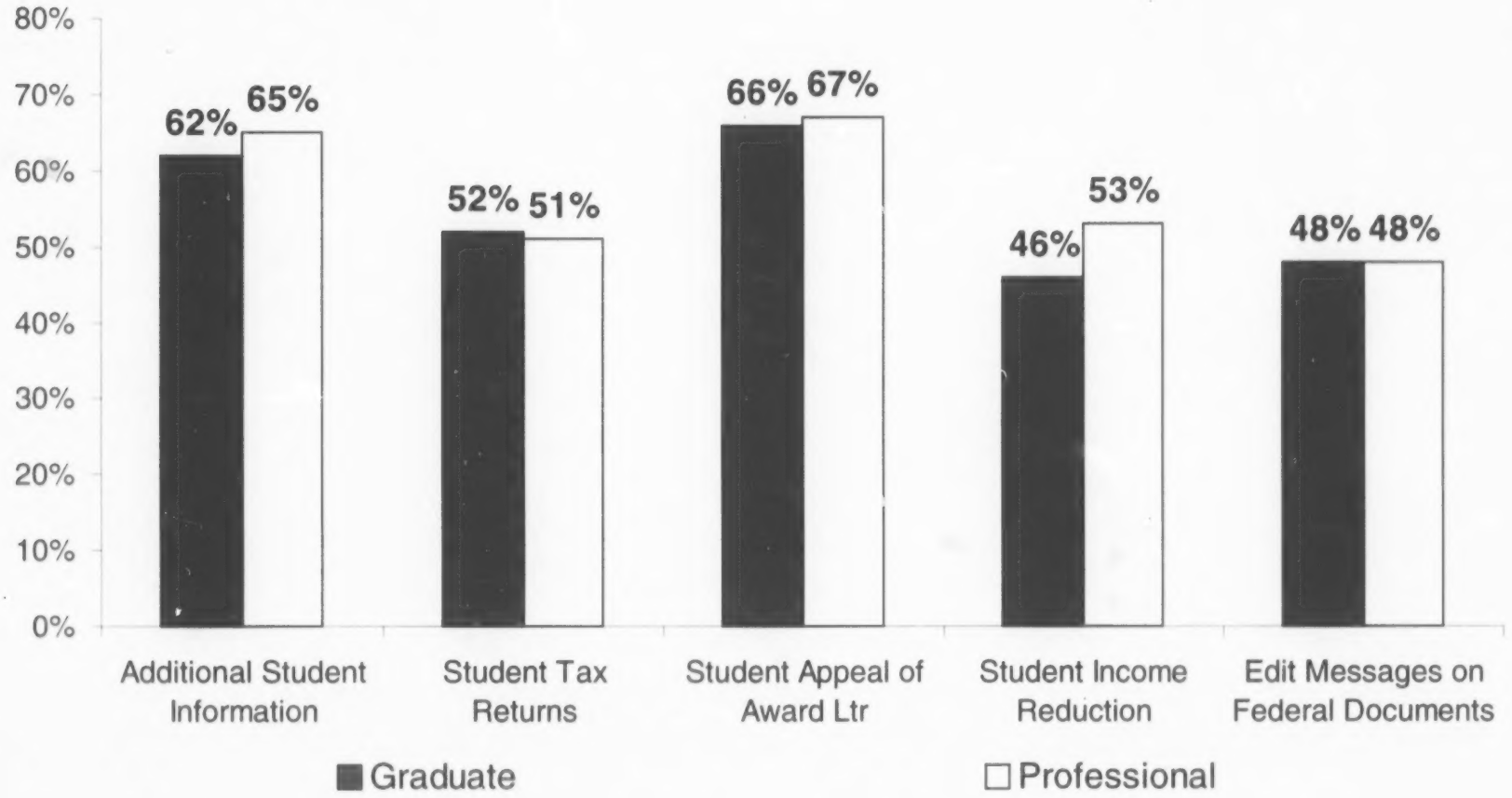
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 14. Use of Professional Judgment, by Program and Institution Type



Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

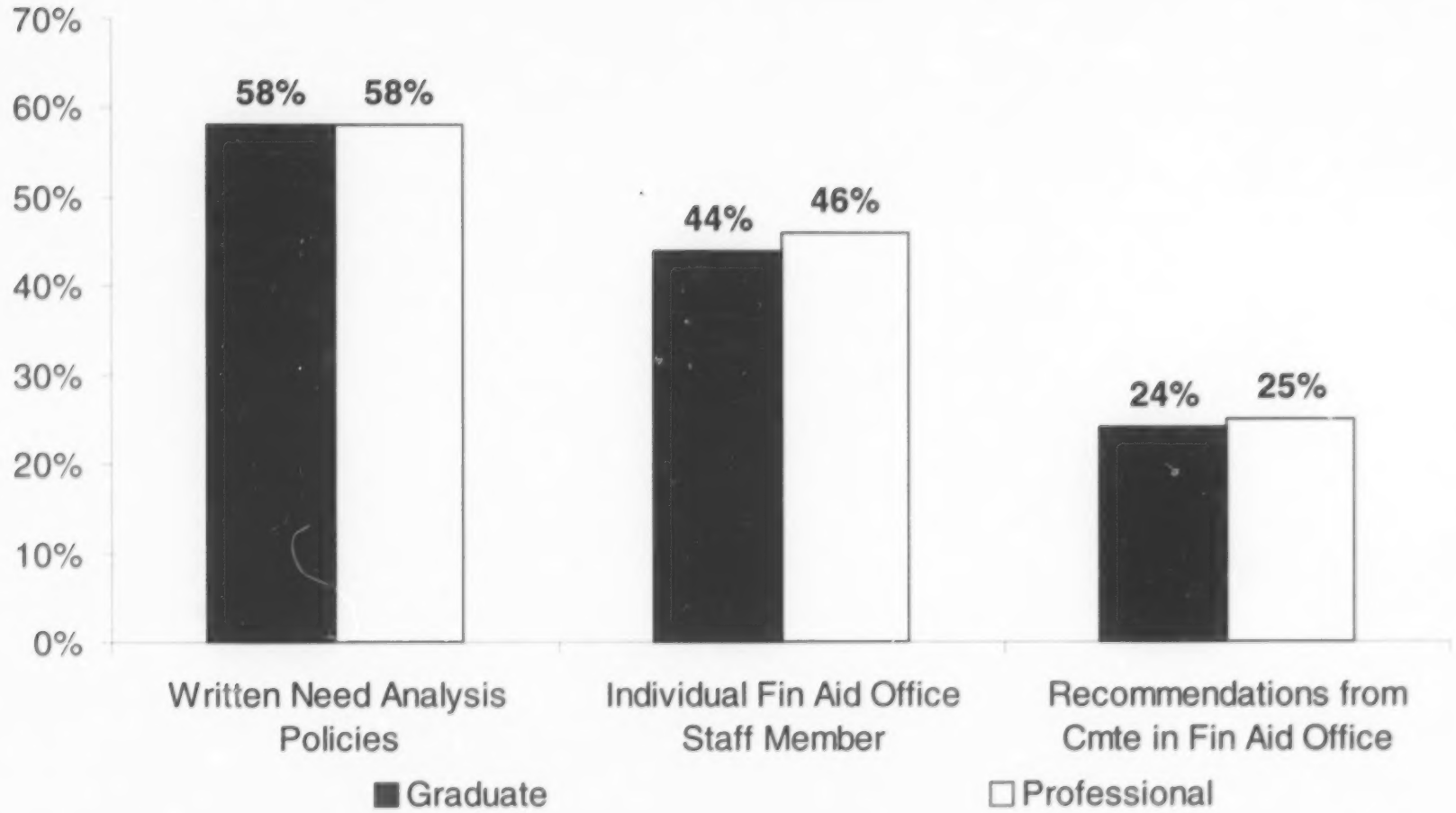
Figure 15. Most Frequently Cited Reasons for Use of Professional Judgment by Graduate and Professional Programs*, by Program Type



*Includes only those programs that use professional judgment.

Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures. April 1999.

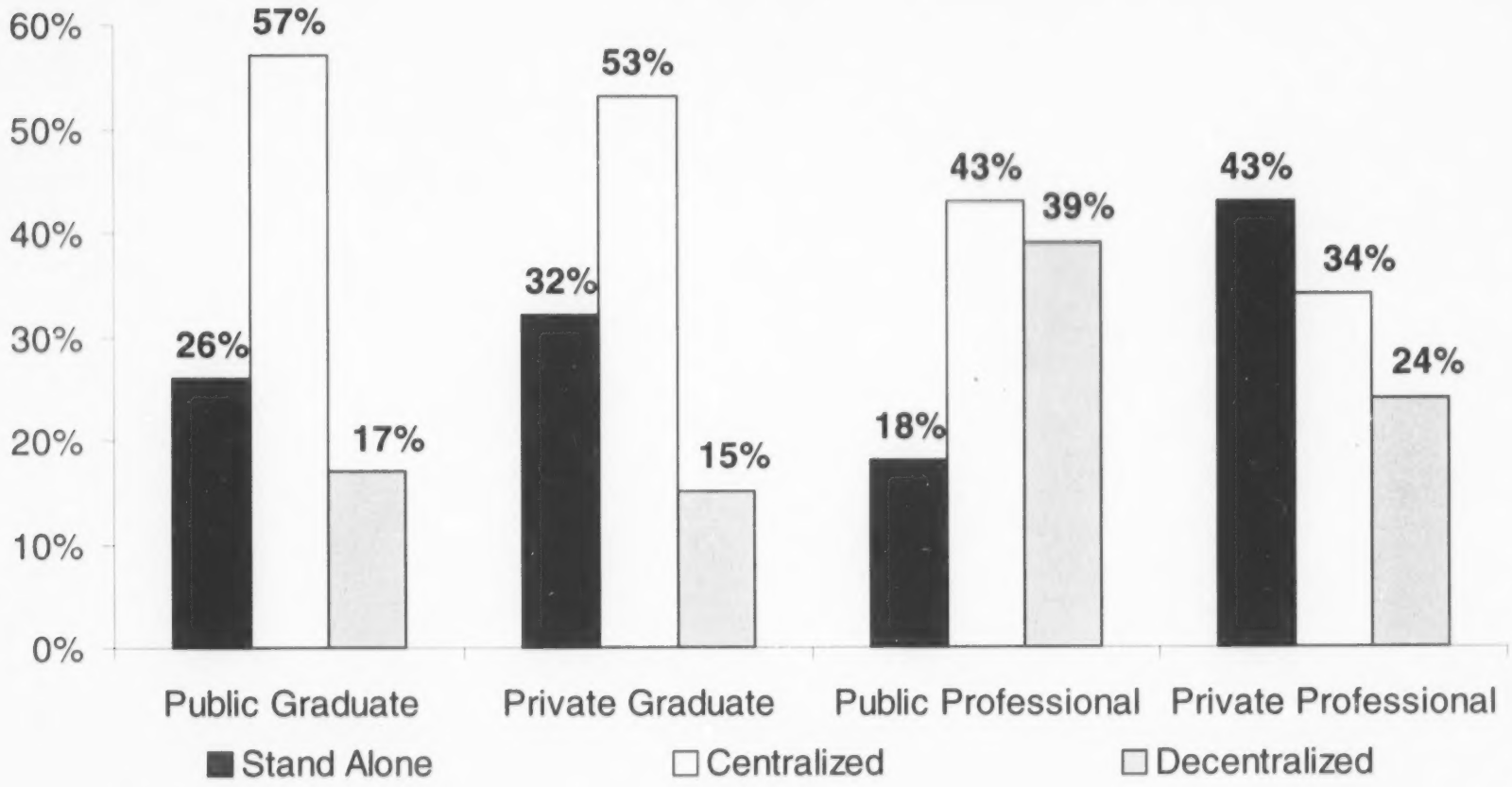
Figure 16. Procedures Used to Make Professional Judgment Decisions*, by Program Level



*Includes only those programs that use professional judgment.

Source: 1998 Survey of Graduate Aid Policies, Practices, and procedures, April 1999.

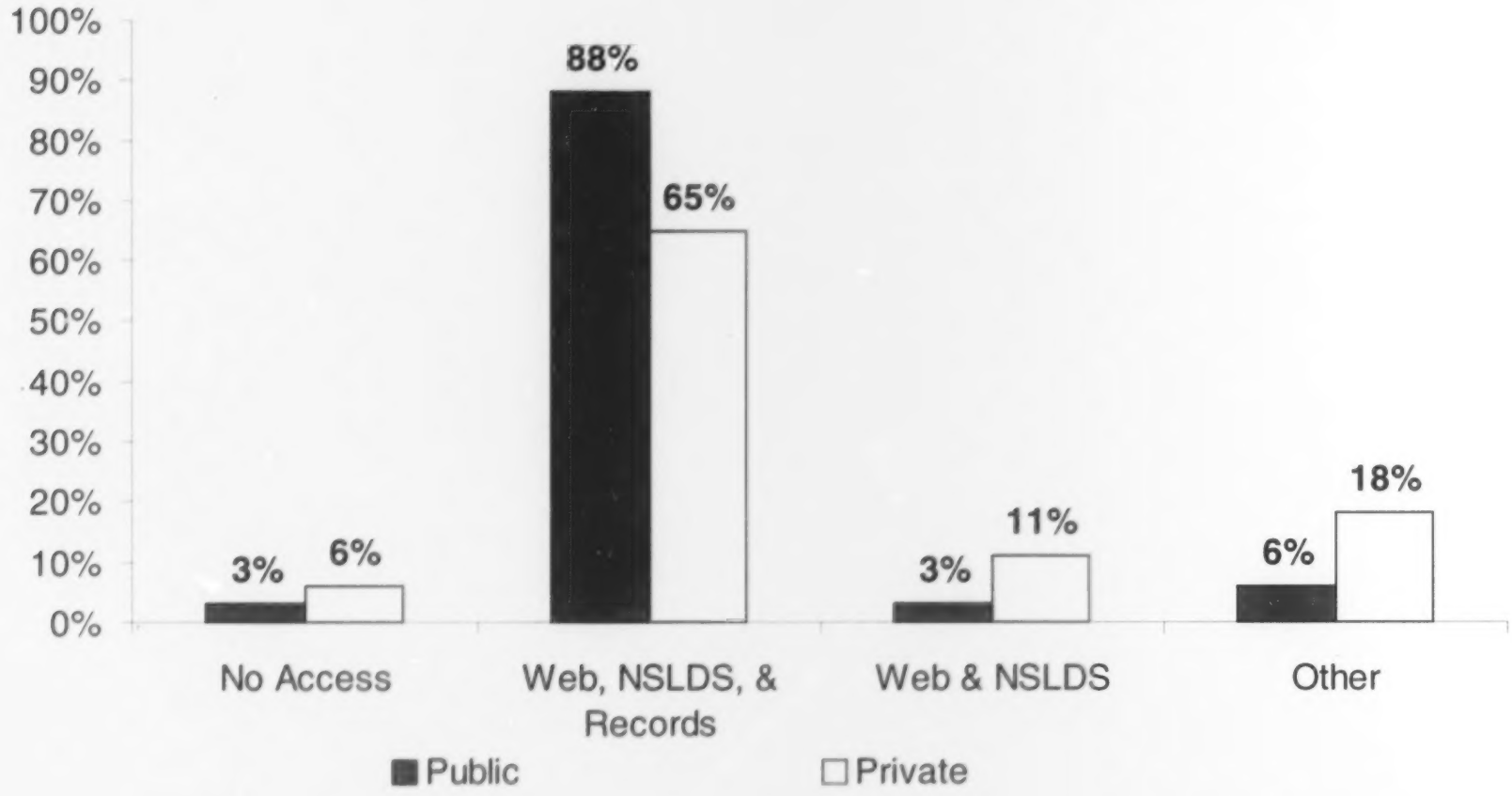
Figure 17. Financial Aid Office Environments in 1997-98, by Program Level and Institution Type



*Includes only those programs that identified their financial aid office environments.

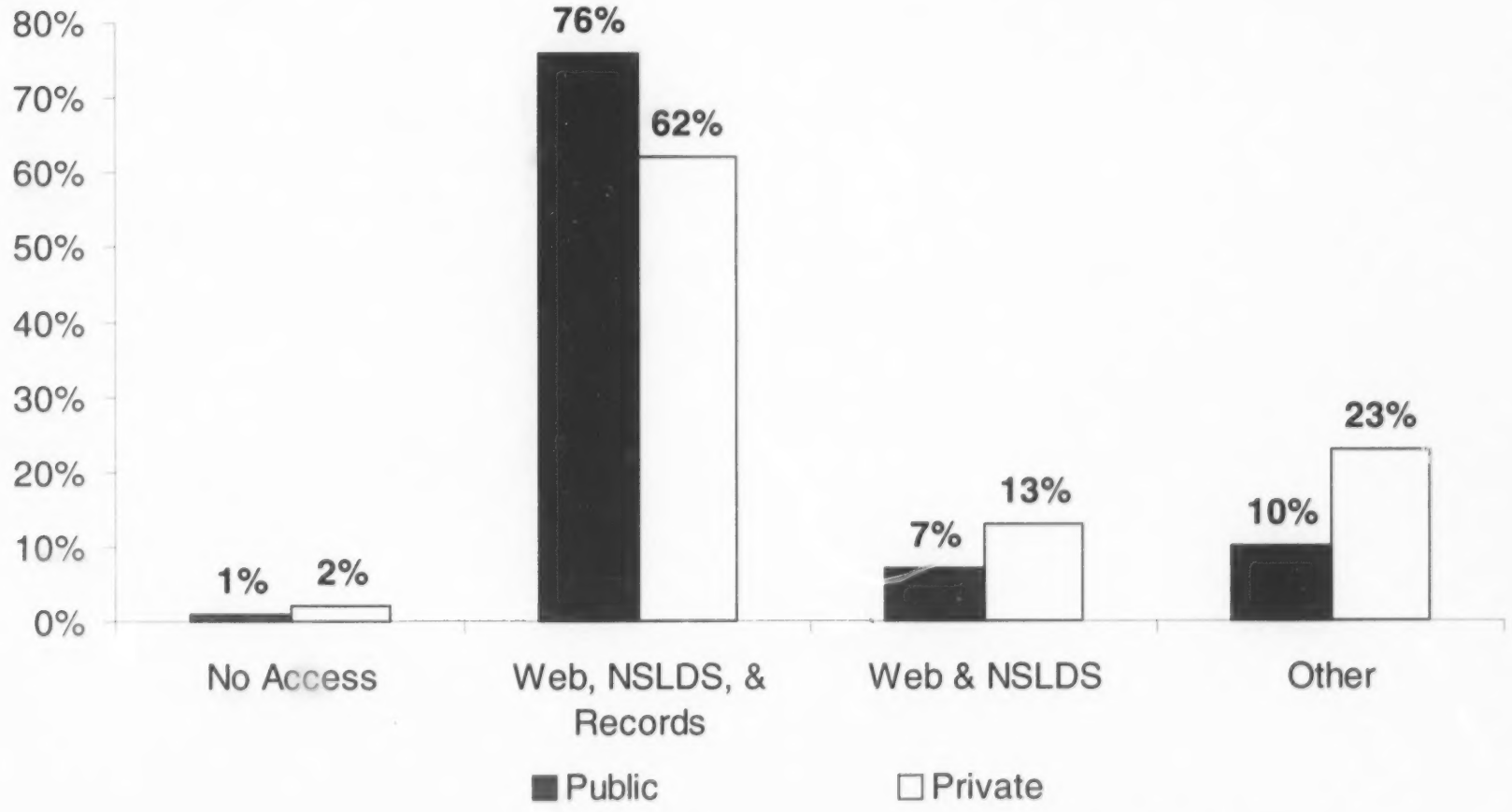
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 18A. Graduate Financial Aid Offices with Access to the World Wide Web, NSLDS, and Student Account Records On-Line, by Institution Type



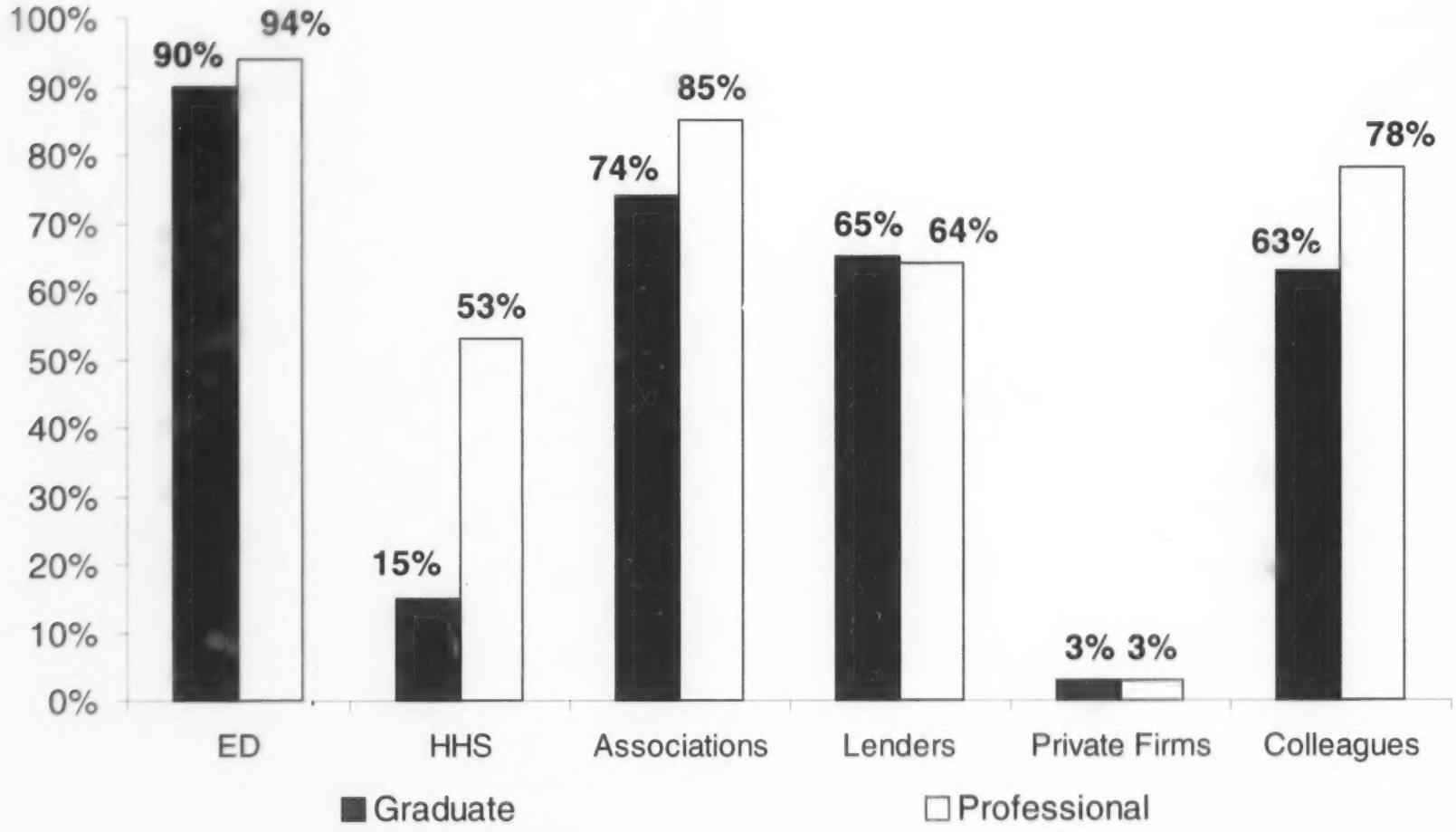
Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 18B. Professional Financial Aid Offices with Access to the World Wide Web, NSLDS, and Student Account Records On-Line, by Institutional Type



Source: 1998 Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

Figure 19. Sources of Information Used "Very Often" or "Fairly Often" by Graduate and Professional Programs



Source: Survey of Graduate Aid Policies, Practices, and Procedures, April 1999.

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